

MMS Fast Facts

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Alternative Energy and Alternate Uses on the Outer Continental Shelf

Historically, the U.S. Department of the Interior has been the Nation's "lands manager" of more than 500 million acres of onshore Federal lands and more than 1.76 billion acres of Federal offshore lands, known as the Outer Continental Shelf (OCS). The Minerals Management Service (MMS) is responsible for managing the leasing and development of OCS oil, natural gas, alternative and renewable energy and mineral resources and to ensure operations are conducted in a safe and environmentally sound manner. MMS is also responsible for the collection and distribution of mineral revenues generated from bonuses, rents and royalties from the Federal OCS and Federal and Indian lands onshore.

New Authority Granted by the Energy Policy Act of 2005

On August 8, 2005, President George W. Bush signed into law the Energy Policy Act of 2005 (EPAAct), (P.L. 109-58) which amended the Outer Continental Shelf Lands Act (OCS Land Act).

- Section 388 established a new national program within the Department of the Interior for the development of **renewable energy**, and **alternative uses** of oil and gas facilities on Federal OCS. The Secretary delegated authority to the Minerals Management Service which has extensive experience in oil, gas, and marine minerals (sand and gravel) offshore leasing as well as determining and evaluating the effects of OCS activities on natural, historical, and human resources and the appropriate monitoring and mitigating of those effects. The MMS's environmental studies program conducts research across the spectrum of the physical, biological and socioeconomic environments as required by the OCSLA and the National Environmental Policy Act of 1969 (NEPA).

Section 388 of the Energy Policy Act of 2005 gives the Secretary of the Interior the authority to:

- grant leases, easements, or rights-of-way for alternative energy-related uses on the Federal OCS. Examples of alternative energy uses include, but are not limited to: wind, wave, ocean current, tidal and solar energy and hydrogen production.
- allow an offshore oil and gas structure (platform), previously permitted under the OCS Lands Act, to remain in place for use in connection with other permitted energy and marine-related activities such as research, renewable energy production, and education, before being removed.

- share with nearby coastal states a portion of the revenues received by the Federal government from authorized alternative energy and alternate use projects located within the 8(g) zone, a band of the Federal OCS within 3 miles of State waters.

Through the new authorities established by the Energy Policy Act of 2005, the MMS is establishing a regulatory framework to harness these potential energy sources and ensure that the American public receives a fair return on these new energy resources. Our goal is to create a program that provides for meaningful dialogue with states and stakeholders; relies on sound environmental, engineering and scientific analyses; and culminates in a balanced approach that promotes safe and environmentally responsible renewable energy production.

Interim Policy

In November 2007, MMS announced an interim policy relating to limited leases to jumpstart information gathering efforts. The interim policy authorizes the installation of offshore data collection and technology testing facilities in Federal waters, not projects for the commercial production of energy. MMS received more than 40 nominations of areas off the west and east coasts for this limited leasing. In April 2008, MMS identified 16 of the proposed lease areas for priority consideration and provided public notice of those areas for the purpose of determining if there was any competitive interest in these areas offshore New Jersey, Delaware and Georgia (related to wind resources), Florida (related to ocean current resources), and California (regarding wave resources).

On July 23, MMS announced how it will move forward with the proposed projects. Details can be found on the MMS website at <http://www.mms.gov/ooc/press/2008/press0723.htm>. The MMS interim policy is ongoing pending the adoption of a final rule governing OCS alternative energy activity. Interested parties may continue to submit nominations, and MMS may act on other nominations that already have been received or are received in the future.

Proposed Rule

MMS published a proposed OCS alternative energy rulemaking in the *Federal Register* on July 9, 2008. The public comment period closes on September 8, 2008. MMS intends to publish the final rule by the end of this year. While the publication of this proposed rule is only a first step towards the Department's goal of completing a final rule, it is an important step and is the culmination of over two years of effort. This proposed rule sets forth a framework that complements the Administration's continued efforts to advance development of the Nation's renewable energy resources, by expanding such development opportunities offshore on the OCS. This proposed regulatory framework also ensure such OCS development is accomplished in a safe and environmentally responsible fashion, and takes proper account of the various other uses o the Nation's ocean resources. When final, this rule will govern all future commercial OCS alternative energy activities and will apply to any future commercial development in the areas leased under the interim policy. Limited leaseholders wishing to conduct commercial activities will need separate authorization under the final rule that is adopted.

On August 7, 2008, MMS will conduct a public workshop on the proposed rule. The workshop will begin at 1:00 p.m. in the Yates Auditorium of the Main Interior Building, 1849 C Street, N.W., Washington, D.C. To learn more about the Alternative Energy and Alternate Use Program, visit the MMS website at <http://www.mms.gov/offshore/AlternativeEnergy/>.

To find out more about MMS, visit our website at <http://www.mms.gov> for information on the Mineral Revenue Management Program and the Offshore Energy and Minerals Management Program, or call the MMS Office of Congressional Affairs at (202) 208-3502.