

BOEM Director Addresses DOI/DOE Offshore Energy Knowledge Exchange Workshop

2012-04-11 Washington, DC

Bureau of Ocean Energy Management Director Tommy P. Beaudreau delivered opening remarks at the Offshore Energy Knowledge Exchange Workshop held by the Department of the Interior and Department of Energy on April 11 and 12, 2012.

Director Beaudreau's remarks, as prepared for delivery, are below:

Thank you, Bob, thank you Dr. Danielson, and thank you all for joining us here today at the Department of the Interior. This workshop is designed to be a forum for federal agencies and industry to discuss and problem solve around the operational challenges that lie ahead as we continue to develop renewable energy generation offshore of the United States. There are valuable lessons to build upon based on our experiences in the oil and gas industry, and the experiences of international offshore wind pioneers. We're using this venue to exchange knowledge and foster cooperation and collaboration among players in the industry domestically and internationally, as well as among the key areas of government.

Everyone in this room is dedicated to realizing the tremendous potential that offshore wind power holds for our country and our economy. This is an opportunity to identify key issues affecting both industry and government, and to think actively and creatively about solutions that we can use in planning and executing offshore renewable energy projects. We will draw upon the experiences of those in the international renewables and domestic oil and gas industries for information that can benefit offshore renewable energy project execution and operation in the U.S.

We are fortunate to have a wide variety of experts in the field of offshore energy with us to provide valuable cross-sector knowledge. Your participation will enable us to have focused discussions about technical solutions, as well as the range of services and support that is available and in development. I want to thank our speakers and panelists for coming here to share their expertise. And also the moderators who will facilitate the conversations on the topics we are exploring.

We are working closely with our government partners to coordinate at all levels, including federal, state, local, tribal, and international. This knowledge exchange

workshop is a natural outgrowth of the Memorandum of Understanding, or MOU, that the Department of the Interior and Department of Energy signed in 2010 to closely coordinate the promotion of responsible commercial renewable offshore energy projects on the U.S. Outer Continental Shelf (OCS). This MOU addresses issues of mutual interest for us to expeditiously develop a sustainable, offshore wind industry in a way that reduces conflict with other ocean uses and protects coastal and marine resources, and it focuses interdepartmental collaboration on five subject areas:

1. Siting and permitting;
2. Standards and technical collaboration;
3. Resource assessments and design conditions;
4. Stakeholder engagement and information dissemination; and
5. Programmatic goals.

Working under this MOU, DOI and DOE jointly developed a coordinated strategy for the development of offshore wind energy. Secretaries Salazar and Chu announced the *National Offshore Wind Strategy: Creating an Offshore Wind Industry in the United States* in February 2011. More recently, DOI and DOE have been focusing on designing efficient processes to coordinate implementation of DOE's March 1 Funding Opportunity Announcement for deployment of U.S. offshore wind projects.

The Department of Energy has been and will continue to be one of our key partners. We have been working collaboratively on many actions that came out of the MOU -- from exchanging information on resources and technologies, to collaborating on research projects, and conducting stakeholder engagement like this workshop. These activities have augmented the scientific and technical exchanges that already occur between the two Departments.

BOEM also has signed MOUs with the Federal Energy Regulatory Commission, the U.S. Fish and Wildlife Service, and the National Oceanic and Atmospheric Administration to improve coordination and maximize efficiencies in our research programs and regulatory processes. We have completed a new Memorandum of Agreement with the U.S. Coast Guard under a long-standing MOU to further enhance renewable energy program coordination between our two agencies. We also are continuing to work with the U.S. Army Corps of Engineers to complete a similar MOU with them.

The wind and water resources off the United States' coasts offer a vast yet largely untapped energy potential. According to DOE's 20% Wind Energy by 2030 report, offshore wind alone has the potential to produce 54,000 megawatts by

2030. The MOU will facilitate the development of these domestic energy resources by pursuing priority leasing and efficient regulatory processes for sites with high, commercial-scale offshore wind and water power development potential.

By facilitating the development of offshore clean energy, this MOU will further the Administration's goals of expanding the nation's renewable energy portfolio as part of an all-of-the-above strategy to meet our energy needs and creating clean energy jobs.

A top priority of this Administration is developing renewable domestic energy resources to strengthen the nation's security, generate new jobs for American workers, and reduce carbon emissions. This is a bountiful, steady energy resource, and we have seen interest in Atlantic offshore wind development. Offshore wind is a new industry, and it will need support from local, state and other federal partners. It will also need support from the financial sector and from the onshore businesses that can provide important support services and manufacturing.

I want to begin this workshop by giving you a little background on BOEM's efforts to support the Administration's goals for developing offshore wind and water energy. Secretary of the Interior Ken Salazar is committed to putting the U.S. on the path to a renewable energy future, and BOEM will lead the way by responsibly leasing areas for renewable energy development on the OCS. The Energy Policy Act of 2005 gave us the regulatory authority for renewable energy production, transportation and transmission. Some of the key Energy Policy Act mandates address safety; protection of the environment; coordination with affected state, local and tribal governments, and other federal agencies; and a fair return for the use of OCS lands.

BOEM already has reached important milestones. In 2009, we published the renewable energy regulatory framework and issued four leases for resource data collection offshore Delaware and New Jersey. And, we started planning for commercial wind leasing on the Atlantic OCS by convening state intergovernmental renewable energy task forces, which remain central to planning and designing wind energy areas that provide real opportunities for significant wind energy generation while minimizing and managing potential conflicts with environmental concerns and important other uses, such as fishing, shipping, tourism and Native American and cultural interests.

These are the principles that are the foundation of the "Smart from the Start" wind energy initiative for the Atlantic OCS that Secretary Salazar launched in November 2010 to facilitate siting, leasing and construction of new projects -- spurring the

responsible development of this abundant renewable resource. We are taking this focused approach to developing the nation's Atlantic wind resources to encourage development while ensuring projects are built in the right way and in the right places.

In 2010, we took an important step toward utilizing its offshore renewable energy resources when we issued the first commercial wind power lease by approving the Cape Wind energy project. This is the first commercial lease approved on the OCS, for a project to be built offshore Massachusetts where the winds could potentially provide 75 percent of the electricity needed to power Cape Cod, Martha's Vineyard, and Nantucket Island.

We have made substantial progress in the environmental assessment and commercial leasing processes for wind energy areas off of places including Delaware, Maryland, New Jersey, Massachusetts, Rhode Island, Virginia and Maine and North Carolina. BOEM has convened 10 intergovernmental task forces engaged in planning for Atlantic OCS wind leasing and development. We also recently launched Task Forces in Oregon and Hawaii that are leading the way for renewable energy along the Pacific Coast.

These task forces play a key role in facilitating communications to ensure that information needs and multiple use concerns and associated solutions are identified early in the leasing process. The task forces are essential to informing our decision-making as we consider areas of the OCS for renewable energy leasing and development. All of these activities will be conducted in keeping with the National Environmental Policy Act.

Transmission is a key piece of the puzzle as well. We received and are evaluating an application to evaluate and develop an offshore transmission backbone that has the potential to support multiple wind projects in the Atlantic and would provide several interconnections to the grid. This right-of-way application proposes a transmission line offshore New York, New Jersey, Delaware, Maryland and Virginia that would collect offshore wind power generation and deliver it to the grid. And we recently received an application for a transmission line project offshore Rhode Island.

Another important part of the coordination process calls for actively engaging key stakeholders – as we are doing today. BOEM continues to reach out to those outside of government to clarify our regulatory processes, share information and to identify and address issues concerning potential OCS renewable energy activities.

Over the next two days, we're going to focus on offshore renewable energy project execution and operation. We will discuss a variety of challenges such as offshore electrical infrastructure, maintenance considerations, design solutions, installation methods, and models for safe and efficient construction and operations.

We have designed this workshop to foster interaction through presentations and questions, and through dialogue between panels and during breakout sessions. You'll hear from panels discussing project design and decision making; construction and installation; safety and operations; and research and collaboration initiatives. Tomorrow morning, we will host breakout sessions focused on these panel topics and discuss what a mature, integrated U.S. offshore renewable energy industry will look like. We will also talk about promising near and long term solutions, and the opportunities for collaboration between companies and industries. The breakout sessions are intended to generate lively, meaningful discussions.

So, let's continue our work together, and I look forward to a productive couple of days. Thank you.