



Date: April 9, 2009
Contact: Frank Quimby, DOI, (202) 208-7291
David Smith, MMS, (202) 208-3985
Celeste Miller or Mary O'Driscoll, FERC, 202-502-8680

Secretary Salazar, FERC Chairman Wellinghoff Sign Agreement to Spur Renewable Energy on the U.S. Outer Continental Shelf

WASHINGTON, D.C. – Secretary of the Interior Ken Salazar and Federal Energy Regulatory Commission Chairman Jon Wellinghoff today signed an agreement that clarifies their agencies' jurisdictional responsibilities for leasing and licensing renewable energy projects on the U.S. Outer Continental Shelf. The Memorandum of Understanding clears the way for developing wind, solar, wave, tidal and ocean current energy sources.

“President Obama is committed to a comprehensive energy plan that will generate millions of clean energy jobs, break our dependence on foreign oil and reduce the threat of deadly pollution,” Secretary Salazar said. “This agreement will spur the development of clean, renewable energy -- the growth industry of the 21st Century. Our nation's economic future demands we lead that competition.” Salazar has made offshore wind, solar and hydrokinetic energy a top priority and expects to have a final regulatory framework for Outer Continental Shelf renewable energy development in the near future.

“By removing all the regulatory barriers to the development of hydrokinetic energy in the Outer Continental Shelf, this agreement will advance the development of a promising renewable resource that in the end will benefit consumers,” said FERC Chairman Jon Wellinghoff.

The agreement establishes a cohesive, streamlined process through which Interior's Minerals Management Service (MMS) and the FERC will lease, license and regulate all renewable energy development activities on the Outer Continental Shelf, including hydrokinetic sources (wave, tidal and ocean current). Under the agreement

- MMS has exclusive jurisdiction with regard to the production, transportation, or transmission of energy from non-hydrokinetic renewable energy projects, including wind and solar. MMS also has exclusive jurisdiction to issue leases, easements, and rights-of-way regarding Outer Continental Shelf lands for hydrokinetic projects. MMS will conduct any necessary environmental reviews, including those under the National Environmental Policy Act, related to those actions.
- FERC has exclusive jurisdiction to issue licenses and exemptions from licensing for the construction and operation of hydrokinetic projects on the Outer Continental Shelf and will conduct any necessary analyses, including those under the National Environmental Policy Act, related to those actions. FERC's licensing process will actively involve relevant federal land and resource agencies, including Interior.

- FERC will not issue a license or exemption for an Outer Continental Shelf hydrokinetic project until the applicant has first obtained a lease, easement, or right-of-way from MMS for the site. FERC will not issue preliminary permits for hydrokinetic projects on the Outer Continental Shelf. In all leases, easements, and rights-of-way for hydrokinetic projects, MMS will require that construction and operation cannot begin without a license or exemption from FERC, except when FERC notifies MMS that a license or exemption is not required.

Under the agreement, FERC and MMS will coordinate to ensure that hydrokinetic projects meet the public interest, including the adequate protection, mitigation, and enhancement of fish, wildlife, and marine resources and other beneficial public uses. Both agencies may inspect authorized hydrokinetic projects on the Outer Continental Shelf to ensure compliance with the terms of leases, easements, rights-of-way, licenses or exemptions.

At its discretion, FERC may choose to become a cooperating agency with MMS in the latter's preparation of an environmental document for the lease, easement and right of way for any Outer Continental Shelf hydrokinetic project. Likewise, MMS may choose to be a cooperating agency with FERC in the preparation of FERC's environmental documents for the license or exemption of any Outer Continental Shelf hydrokinetic project.

The agencies also will coordinate to ensure that any licenses or exemptions issued by FERC, and all operations regulated by FERC, with respect to a lease, easement, or right-of-way, are consistent with the provisions of the Outer Continental Shelf Lands Act, the Federal Power Act and other applicable law.

A copy of the Memorandum of Understanding can be accessed online at the following url:
<http://www.ferc.gov/legal/maj-ord-reg/mou/mou-doi.pdf>

R-09-17

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