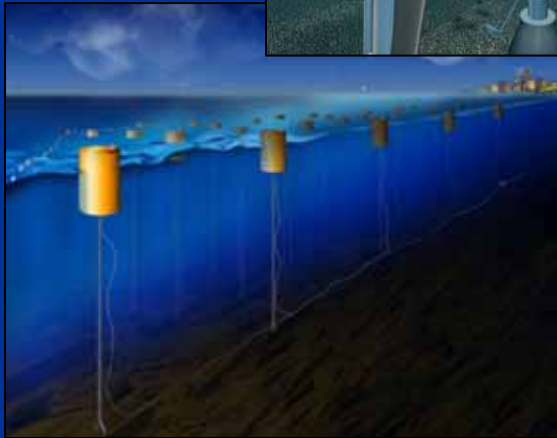


Alternative Energy on the Outer Continental Shelf



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Oceanographer

Office of Offshore Alternative Energy Programs

Minerals Management Service

*International Submerged Lands Management
Conference*

October 27, 2008

Minerals Management Service (MMS)

- Bureau within the U.S. Department of the Interior
- Manages the nation's natural gas, oil and other mineral resources on the OCS
- Collects, accounts for, and disburses more than \$8 billion per year in revenues



Regulatory Authority: Energy Policy Act of 2005

- Section 388 amended Section 8 of OCSLA
- MMS was granted the authority to regulate a broad spectrum of activities on the OCS:
 - ***Alternative energy*** (wind, ocean wave, ocean current, solar, hydrogen production)
 - ***Alternate use of existing facilities*** (research and offshore support stations, recreation opportunities)

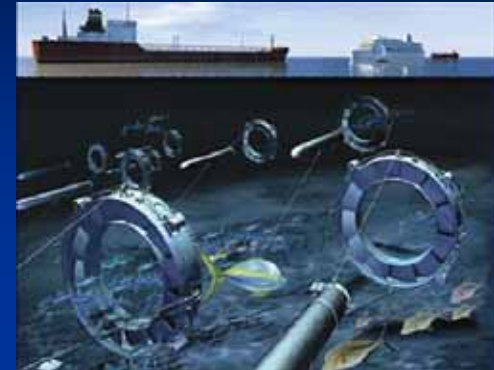
Key Regulatory Mandates

- Coordinate with affected U.S. State & local governments and Federal agencies
- Ensure safe operations
- Protect the environment
- Issue leases competitively
- Ensure fair return for use of OCS lands
- Share revenue with affected U.S. States



MMS Alternative Energy Program Development

- Programmatic EIS (Nov. 2007)
- Record of Decision (Jan. 2008)
 - Adoption of **52 BMPs**
- The Rule/Regulations (**proposed July 2008**)
 - 283 individual comment letters
- Interim Policy for Leasing (Nov. 2007)
 - **Over 40 nominations received**
 - Lease Form & Information Collection
 - **Stakeholder meetings** with State agencies
- AE Study Program (Ongoing)



The Rule: Major Elements

- **Coordination (throughout the rule)**
 - State/Federal Task Forces
- **Leasing Process and Issuance (Subpart B)**
 - Competitive & Noncompetitive Leasing
 - Commercial & Limited Leases
- **Plans (Subpart F)**
 - Site Assessment & Construction & Operations
 - General Activities
- **Conduct of Approved Plan Activities (Subpart H)**
 - Environmental & Safety Monitoring & Inspections
- **Payments (Subpart E)**
 - Bonding & Payments
- **Decommissioning (Subpart I)**
- **Alternate Use (Subpart J)**



Credit: GE

The Rule: Lease Process

- Leases issued on a **competitive** basis unless there is no competitive interest
 - Section 388: Secretary shall issue a lease, easement, or right-of-way on a competitive basis unless the Secretary determines after public notice of a proposed lease, easement, or right-of-way that there is no competitive interest
- Competitive or Non-competitive

The Rule:

Lease Types

- Commercial Lease: Full Development and power generation
 - 25-year operating term
- Limited Leases: Resource assessment and technology testing
 - 5-year operating team

Both types include a **project easement** for necessary cables or pipelines

The Rule: Plans

- **Site Assessment Plan (SAP)** – describes assessment and survey activities needed to characterize the site (**applies to commercial leases**)
- **Construction & Operations Plan (COP)** – describes all activities and facilities to be installed and used to gather, transport, transmit, generate, or distribute energy from the lease (**applies to commercial leases**)
- **General Activities Plan (GAP)** – describes all activities and operations related to technology testing, including any facility siting (**applies to limited leases, ROWs, and RUEs**)

The Rule: Inspections

- **MMS will conduct scheduled and unscheduled inspections.**
 - Verify that activities are conducted as outlined under the lease and approved plan.
 - Determine that proper safety equipment has been installed and is operating as provided under the approved plan.
- **Lessee must develop an annual shelf inspection plan describing type, extent and frequency of inspections.**

The Rule:

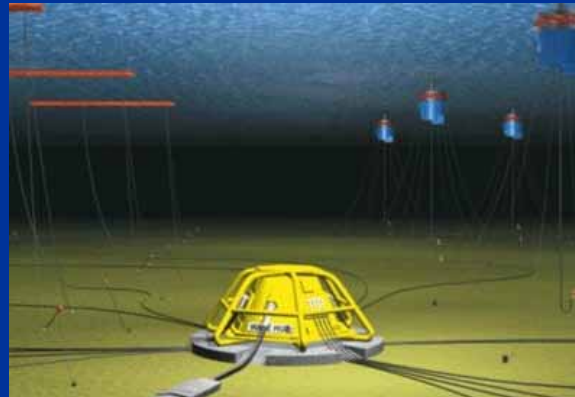
Decommissioning

- Decommissioning plan approved by MMS
- MMS discretion to allow structures to remain in place for alternate use or “rigs to reefs”



The Rule: Other Types of Instruments

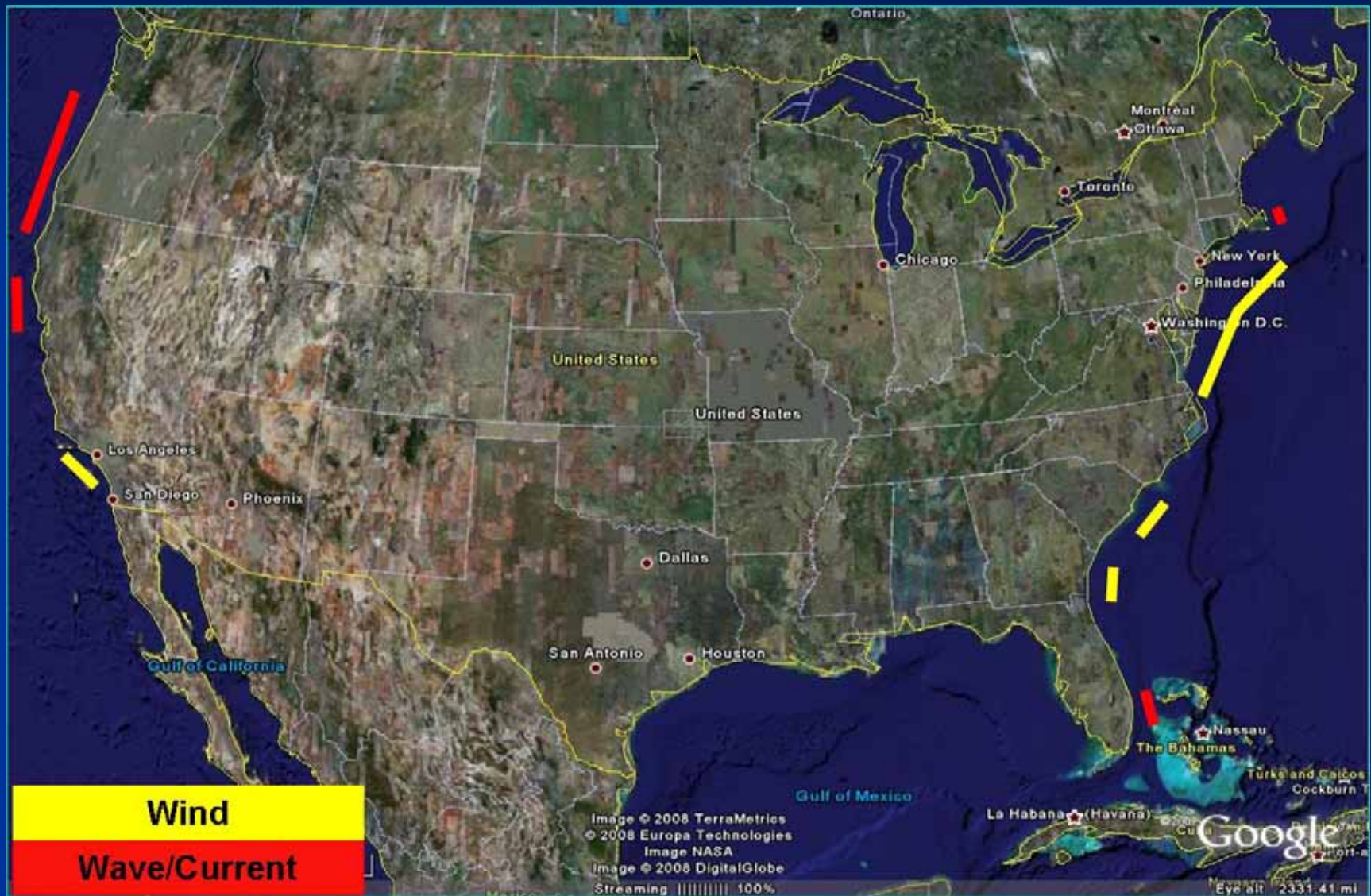
- Right of Use and Easement (RUE)
- Right-of-Way (ROW)
- Alternate Use RUE (AU RUE)



Interim Policy: Limited Leasing

- **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 right for subsequent commercial development
- Initially received over 40 site nominations
- Currently considering 15 lease areas
- Anticipate issuing a number of limited leases over the next year

Interim Policy Nominations



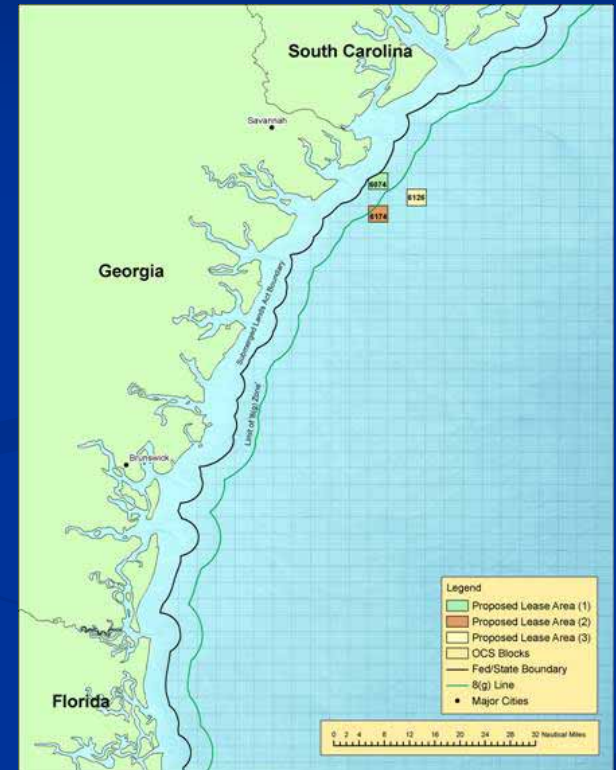
Interim Policy: Lease Areas Under Consideration



New Jersey



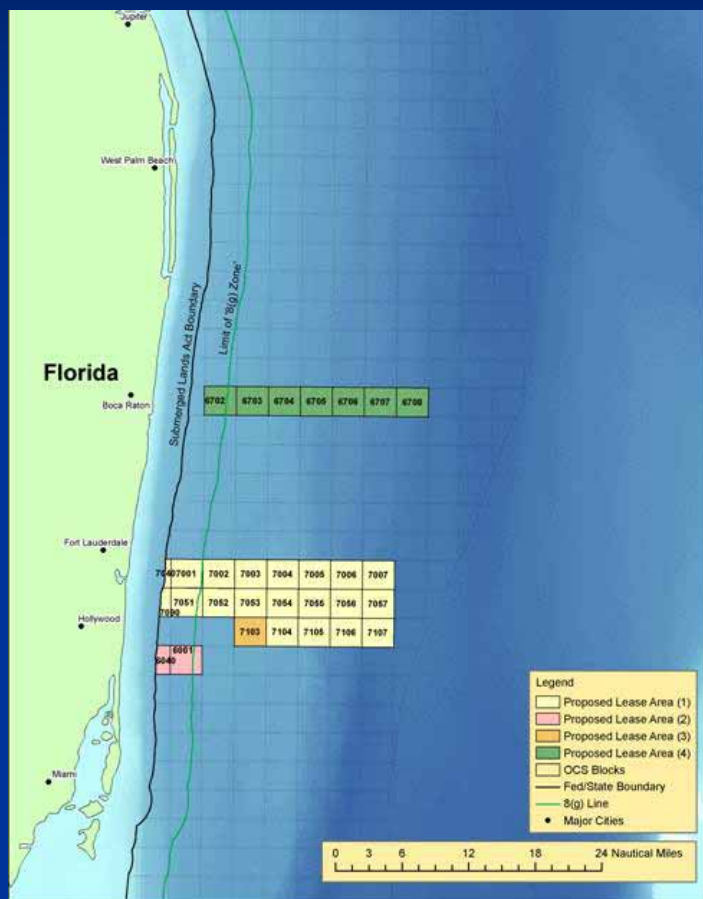
Delaware



Georgia

All wind met towers

Interim Policy: Lease Areas Under Consideration



Florida

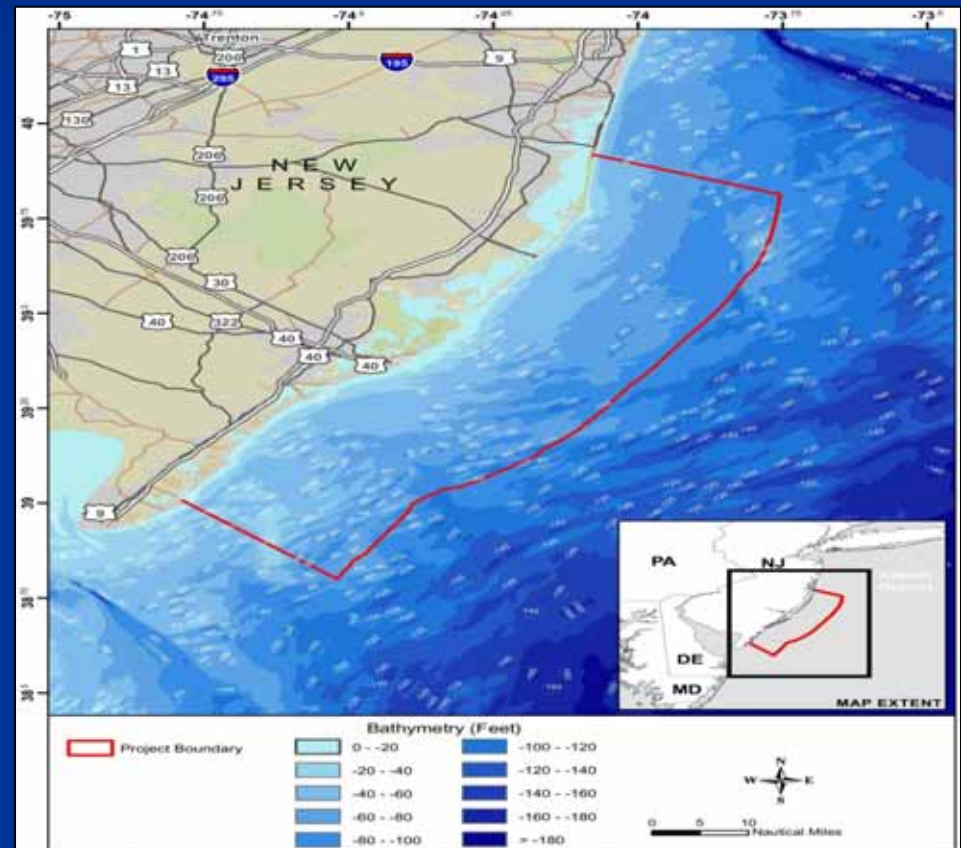


California

Ocean current and wave

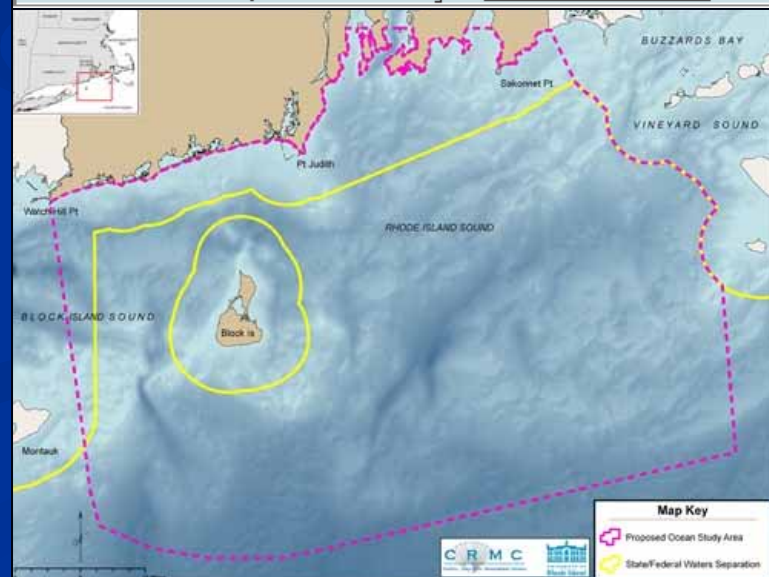
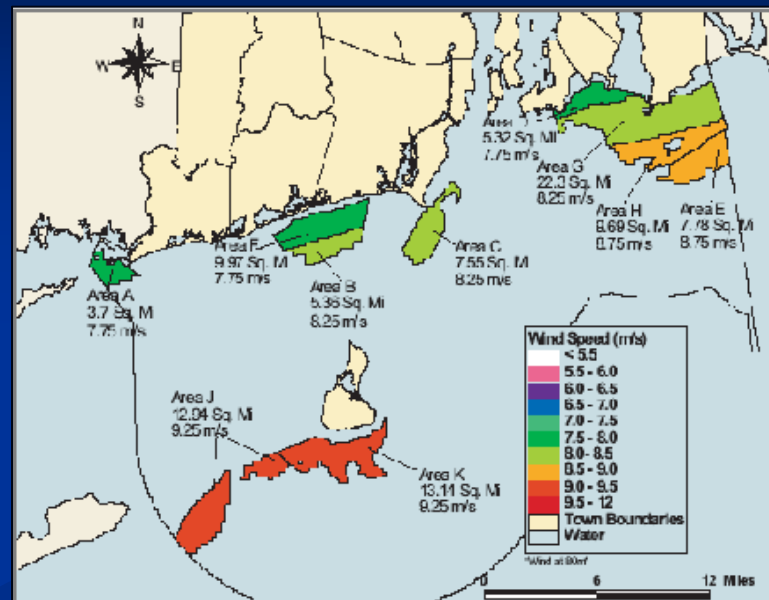
Coordination with State Efforts: New Jersey

- Ecological Base Line Study
 - \$4.5 million
 - Primary Surveys:
 - Avian
 - Marine Mammals
 - Sea Turtle
 - Federal/State Agencies
 - Final Report – Dec. 2009
- NJ Grant Solicitation
 - 350 MW Pilot Wind Project
 - 5 Submittals
 - Awarded October 2008 to Garden State Offshore Energy LLC.



Coordination with State Efforts: Rhode Island

- Wind Farm Siting Study – June 2007
 - State and Federal Areas identified
 - Entire Rhode Island RPS (%15) satisfied
- Rhode Island Request for Proposals
 - Awarded October 2008 to Deepwater Wind LLC
 - 90 day negotiation period
- SAMP
 - Funded July 2008
 - Leads: CRMC, URI, Sea Grant
 - Participants: MMS, ACOE, RI DEP & adjacent States
 - Address Federal Consistency & State Ocean Zoning



Environmental Studies Efforts

- AE Environmental Studies Development Plan
 - Reviewed by MMS Scientific Advisory Committee
 - Partner on studies where possible
 - Guide funding decisions for FY08 – FY11 Alternative Energy studies
- Use studies results to inform our leasing, plan review, environmental assessments and program decisions
- Priority Jumpstarts
 - Avian Workshops
 - Literature review, synthesis and data search

Environmental Studies FY 2008

- Determining Night Time Distribution of **Long-Tailed Ducks** Using Radio Telemetry
- Effects of **Pile Driving** Sounds on Auditory and Non-Auditory Tissues of Fish
- Compendium of **Avian Information** and Comprehensive Geodatabase
- **Energy Market and Infrastructure Information** for Evaluating Alternative Energy Projects for OCS Atlantic and Pacific Regions
- Evaluation of Visual Impacts on **Historic Properties**
- **Meteorological and Wave Measurements** for Improving Meteorological and Air Quality Modeling
- Potential for **Interactions between Endangered and Candidate Bird Species with Wind Facility Operations** on the Atlantic OCS

Technology Assessment & Research Studies

- Comparative Study of Offshore Wind Turbine Generators (OWTG) **Standards**
- **Inspection Methodologies** for Offshore Wind Turbine Facilities
- Designs Standards to Ensure **Structural Safety, Reliability, and Survivability** of Wind Farms on the OCS
- Study of Wind Farm/Turbine **Accidents**
- Options for **Dampening Construction Noises**

On the Horizon

- Completing the rulemaking
- Continuing to collaborate with stakeholders
- Issuing Interim Policy leases and reviewing lease plans
- Initiating environmental studies under the MMS Studies Program
- Preparing for the Program to open



Credit: GE

More Information...



On the Web at:

www.mms.gov/offshore/alternativeenergy

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