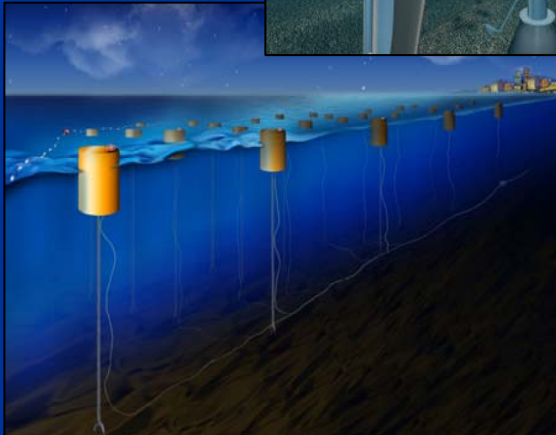


# OCS Alternative Energy Program



Environmental Law Institute  
2008 Ocean Seminar Series  
Ocean Energy: Tide, Current and Wave  
July 29, 2008

**Thomas Woodworth**  
Office of Offshore Alternative Energy Programs  
Minerals Management Service  
U.S. Department of the Interior

# Regulatory Authority: EPO Act 2005

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

# Statutory Mandates

- Coordinate with affected 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 States



# Key Program Initiatives

## I. Regulations (NPR in FR, July 9th)



## II. Interim Policy for Resource Data Collection and Technology Testing (Nov. 2007)



# NOPR – Major Elements

## Coordination

- State/Federal/Local Coordination

## Lease Issuance

- Competitive & Noncompetitive Leasing
- Commercial & Limited Leases

## Lease Administration

- Payments (bonus bidding, rentals, operating fees)
- Financial Assurance (bonding)

## Plan Reviews

- Site Assessment
- Construction and Operations

## Conduct of Approved Plan Activities

- Environmental and Safety Monitoring
- Inspections

## Decommissioning Alternate Use



# Rule Workshops

- MMS will be holding workshops throughout the country to discuss the Proposed Rule (West Coast, East Coast, Gulf of Mexico)
- First workshop in Washington DC, August 7<sup>th</sup>



# NOPR: Treatment of Wave and Current Energy

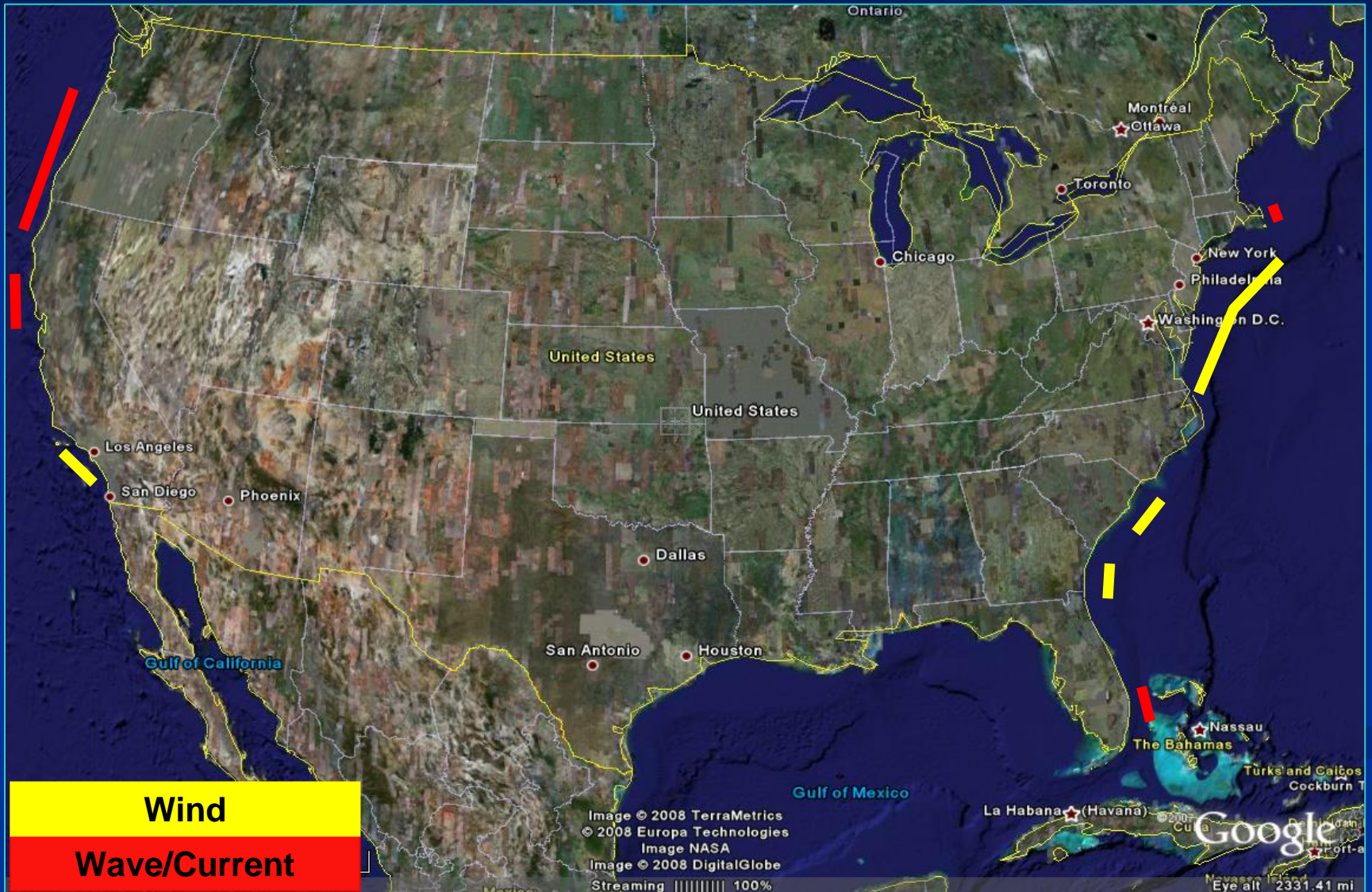
- Regulations are not resource specific.
- A “Limited Lease” proposed for those interested only in technology testing; *confers no right for subsequent commercial build-out.*
  - Smaller fees (rental only; no operating fee)
  - Reduced paperwork burden.
  - Wave and current energy developers should carefully weigh pros and cons of Limited vs. Commercial Lease

# Interim Policy: Limited Leasing

- “Interim policy” for limited leasing before final regulations *(announced in FR November 2007)*
  - Resource data collection and technology testing activities
  - Limited 5-year term
  - No option, preference or priority right for subsequent commercial development
  - No transmission cable to shore
- Received over 40 nominations in response to initial notice in FR November 7<sup>th</sup>



# Interim Policy Nominations



# Interim Policy – Proposed Lease Areas

- 16 proposed lease areas identified (*April FR Notices*)
  - 6 areas off New Jersey (met towers)
  - 3 areas off Georgia (met towers)
  - 1 area off Delaware (met tower)
  - 4 areas off Florida (ocean current)
  - 2 areas off California (ocean wave)
- Competitive interest expressed in three lease areas off Florida and one lease area off California (Humboldt)
  - MMS will not conduct competitive auction under Interim Policy; competing nominators must agree to collaborate.
- MMS proceeding in its NEPA and application review of other lease areas in which there was no expression of competing interest.



# Interim Policy: Lease Areas in NJ, DE and GA



New Jersey



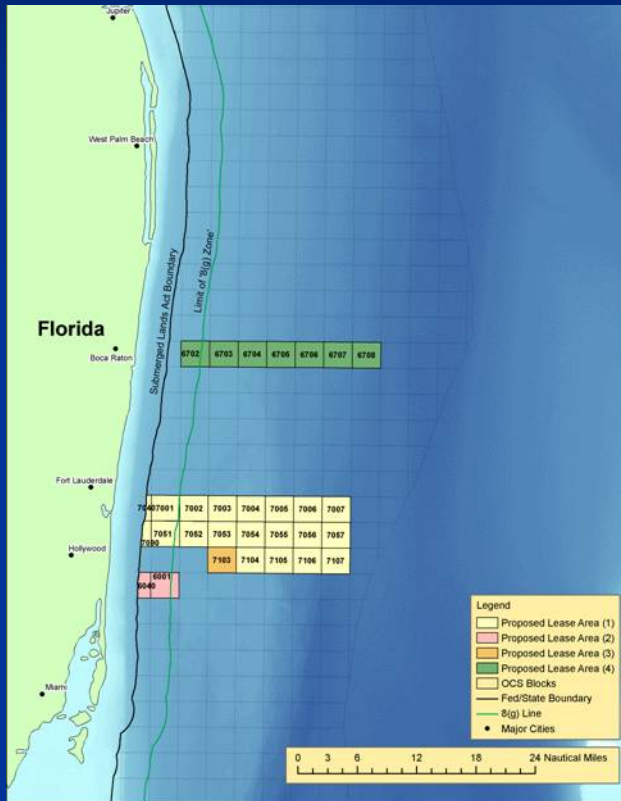
Delaware



Georgia

\*All wind met towers\*

# Interim Policy: Lease areas in CA and FL



Florida



California

\*Ocean current and wave\*

# IP Limited Lease vs. NOPR Limited Lease??

- Proposed Rules do not apply to “Interim Policy”
  - Limited Lease under “Interim Policy” is not subject to requirements of Limited Lease in NOPR
- OMB-Approved MMS Lease Form for Resource Data Collection and Technology Testing
  - Applies to Limited Lease under Interim Policy
  - Available on MMS website:  
[www.mms.gov/offshore/AlternativeEnergy/Assets/PDFs/FR04-21-08.pdf](http://www.mms.gov/offshore/AlternativeEnergy/Assets/PDFs/FR04-21-08.pdf)

# On the Horizon

- National Workshops on Proposed Rule (August 2008)
- Completion of final rulemaking (December 2008)
  - Comments due September 8th
- Initiating environmental studies
- Issuing “Interim Policy” leases and reviewing lease plans (Fall 08)





# More Information...



On the Web at:

[www.mms.gov/offshore/alternativeenergy](http://www.mms.gov/offshore/alternativeenergy)

Thomas Woodworth  
Senior Policy Analyst

Office of Offshore Alternative Energy Programs

[thomas.woodworth@mms.gov](mailto:thomas.woodworth@mms.gov)

703-787-1198