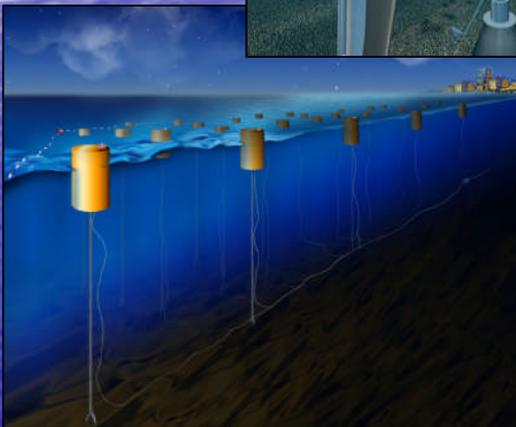


Update on Alternative Energy Program

OCS Policy Committee

March 5, 2008

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MMS Alternative Energy Programs



Status of Program Development

Key Initiatives

- Programmatic EIS
- Record of Decision (ROD)
- Rulemaking
- Alternative Energy Study Development Plan
- Mapping Initiative
- Environmental Review of Cape Wind Energy Project Proposal

New Initiative

- Interim Policy for Limited Leasing

EPAct 2005 Amended OCSLA

Authority to regulate a broad spectrum of activities:

- Alternative energy (e.g., wind, ocean wave, ocean current, hydrogen)
- Alternate use of existing facilities (e.g., research and offshore support stations, recreation opportunities)

New Authority Mandates

- Competitive Issuance
- Safety
- Protection of the environment
- Coordination with affected State & local governments and Federal agencies
- Fair return for use of OCS lands
- Revenue sharing with affected States

New Authority Does

- *Not* supersede or modify existing Federal authority
- *Not* authorize any oil and gas activities in moratoria areas
- *Not* apply to areas designated as
 - National Marine Sanctuaries
 - National Parks
 - National Wildlife Refuges
 - National Monuments

Programmatic EIS and ROD

- Initiated scoping in May 2006
 - 10 scoping meetings held throughout country
- Issued draft PEIS in March 2007
 - 9 public hearings conducted throughout country
- Published final PEIS in November 2007
 - www.ocsenergy.anl.gov
- Signed ROD January 2008
 - Adopted 15 Policies and 52 Best Management Practices

Policies

MMS will

- Initiate consultation with affected State and local governments early in the planning process. Siting, construction, operation, and decommissioning issues will be identified and addressed
- Work with the applicant to incorporate visual design considerations into the planning and design of development projects to minimize potential visual impacts
- Implement adaptive management strategies that will include monitoring of activities to ensure that potential impacts of OCS alternative energy development are avoided (if possible), minimized, or mitigated

Best Management Practices

Lessees/Grantees shall

- Contact and consult with affected Federal, State, and local agencies early in the planning process
- Evaluate avian use of the project area and design the project to minimize or mitigate the potential for bird strikes and habitat loss
- Minimize conflict with commercial fishing activity and gear by notifying registered fishermen of the location and time frame of project construction activities well in advance of mobilization with updates throughout the construction period
- Seek public input in evaluating the visual site design elements of proposed wind energy facilities

Major Elements of AE Regulation*

- Coordination
 - State/Federal Task Forces
- Lease Issuance
 - Competitive & Noncompetitive Leasing Processes
 - Commercial & Limited Leases
- Lease Administration
 - Bonding & Payments
 - Revenue Sharing

*Includes compliance with Federal statutory requirements (e.g., NEPA, CZMA, ESA, MMPA, CWA, CAA etc.)

Major Elements of AE Regulation*

- Alternative Energy Plans
Cover all activities on a lease, ROW, or RUE (site assessment, construction and operations, etc.)
- Compliance with Approved AE Plans
Environmental and Safety Monitoring
Inspections
- Decommissioning
*Includes compliance with Federal statutory requirements (e.g., NEPA, CZMA, ESA, MMPA, CWA, CAA etc.)

AE Rulemaking Targets

- Publish Notice of Proposed Rulemaking in Spring 2008 and open public comment period
- Hold workshops during public comment period
- Promulgate final rule in December 2008

Environmental Study Efforts

June 2007 AE Environmental Information Workshop

- Contracted a synthesis study to gather existing information on environmental effects from alternative energy activities
- Attended by subject matter experts, stakeholders, and MMS Scientific Advisory Committee
- Identified data gaps and study needs
- Suggested priorities for future studies

AE Study Development Plan

- Used June Workshop results to prepare draft AE study plan
- Will be reviewed by MMS Scientific Advisory Committee
- Will guide MMS funding decisions for FY08 – FY11 AE studies
- Will use studies results to inform our AE leasing and plan review decisions

FY 2008 AE Studies

- Compendium of avian information & comprehensive GIS geodatabase
- Effects of EMF from transmission lines on Elasmobranchs & other marine species
- Evaluation of visual impacts on historic properties
- Effects of pile driving sounds on auditory & non-auditory tissues of fish

AE Studies FY 2009 and Beyond

- Space use conflicts and mitigation
- Studies of marine and coastal birds
- Energy-related infrastructure
- Impacts from lighting
- Evaluation of soundscape
- Survey of Bats

Birds and Offshore Wind Development

- Hosted workshop in Feb 2008
- Focused on potential impacts to birds offshore from wind development from Maine to North Carolina
 - Characterized existing knowledge
 - Highlighted research needs
 - Reviewed monitoring and mitigation approaches
 - Explored partnership opportunities

Interagency Mapping Initiative

Energy Policy Act mandated that DOI:

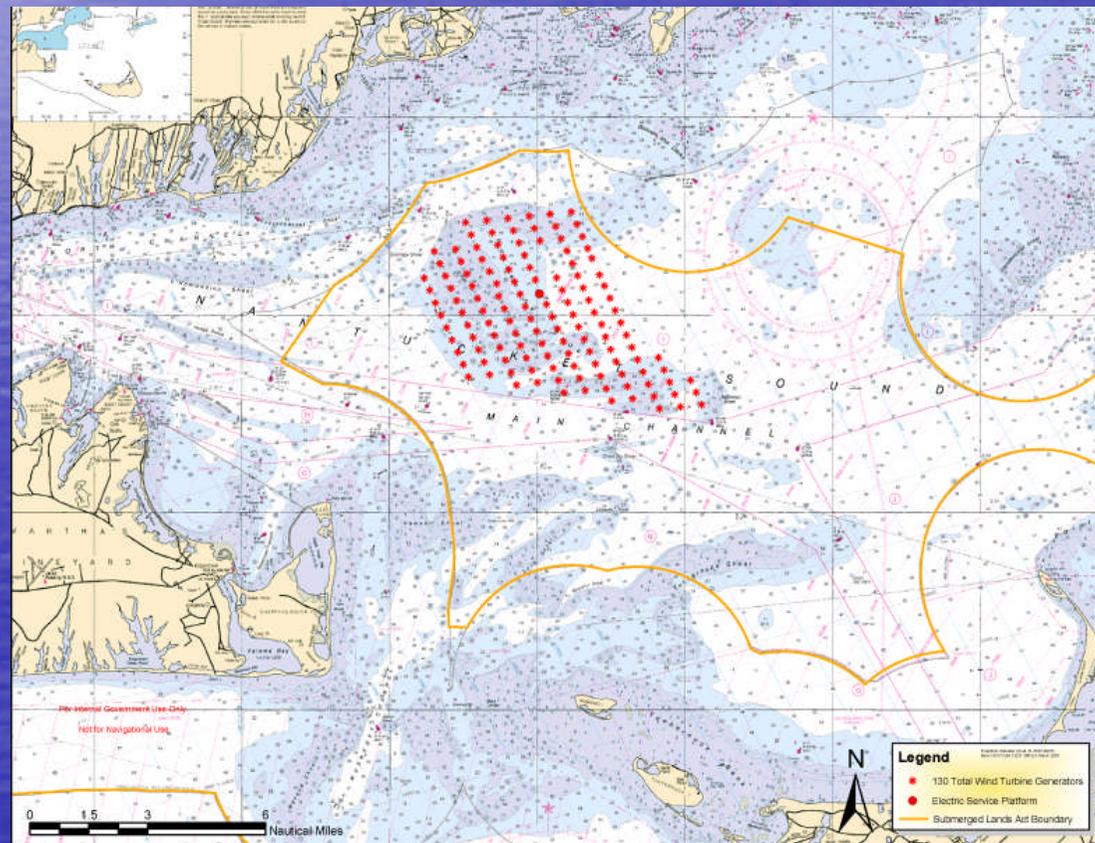
- Establish an interagency, comprehensive digital mapping initiative be established
- Use to assist in decision making relative to siting alternative energy activities

Interagency Mapping Initiative

- Formed a Marine Cadastre Working Group, associated with Federal Geographic Data Committee
- Working with NOAA's Coastal Service Center to develop the Multipurpose Marine Cadastre
- Prototype to be delivered, installed and tested in late Spring or early Summer 2008

Cape Wind Energy Project

Cape Wind Associates, LLC, proposes to construct a wind park in Nantucket Sound, Massachusetts, about 4.7 miles offshore



Cape Wind Energy Project

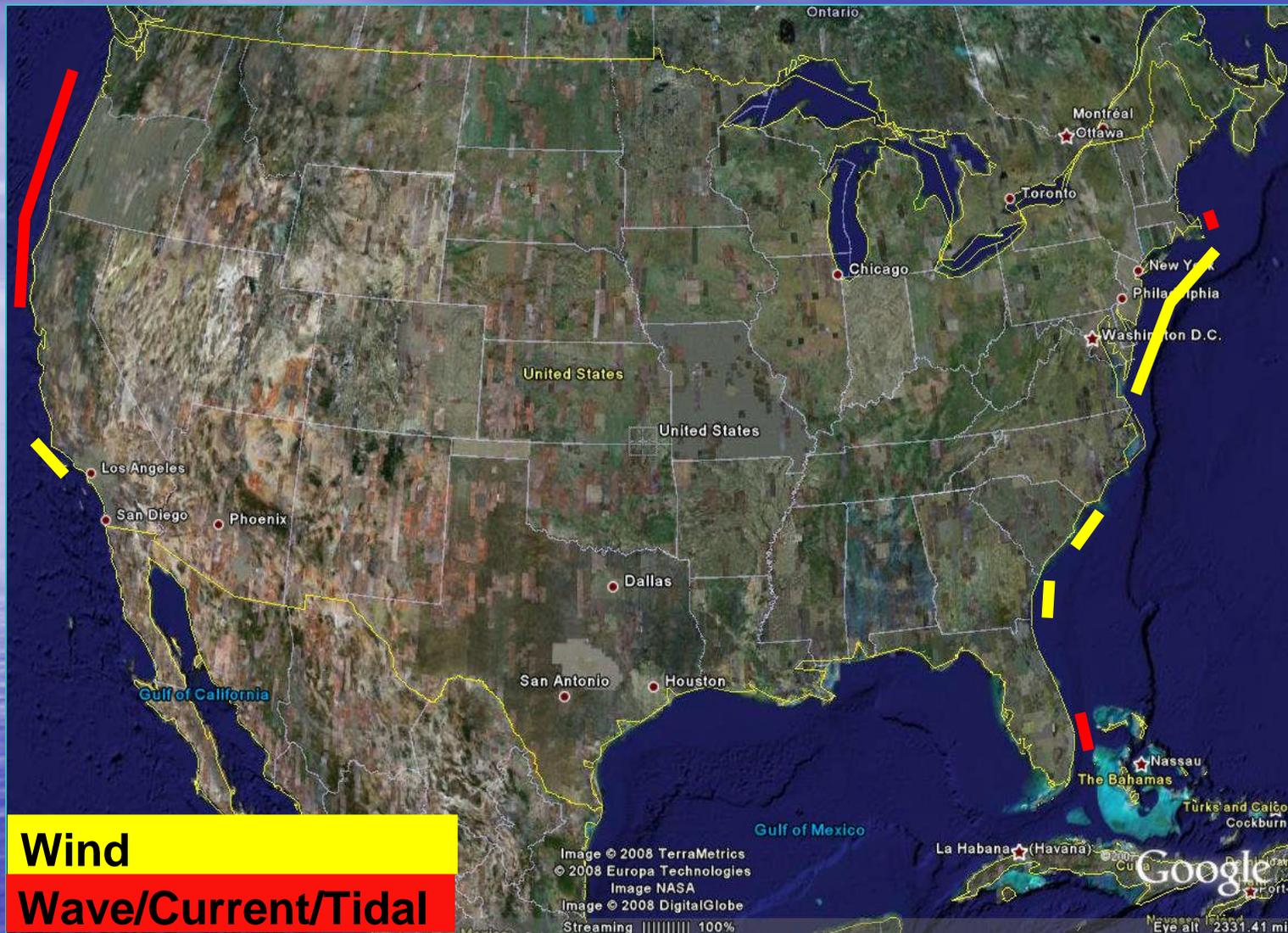
- Released draft EIS and opened public comment period in January 2008
- Found that most impacts are expected to be negligible or minor
- Where impacts were identified as moderate, MMS identified appropriate mitigation measures
- Will hold a series of 4 public hearings in Cape Cod, Islands and Boston to receive feedback on the draft EIS

Status of Key Initiatives

- ☑ Programmatic EIS (*completed*)
- ☑ Record of Decision (*completed*)
- Publish proposed rule (*target Spring 2008*)
- AE Study Development Plan (*May 2008*)
- Integrated Mapping Initiative (*prototype testing Spring/Summer 2008*)
- Cape Wind Energy Project Proposal (*draft EIS published; public hearings next week*)

November 2007 Interim Policy

- Interim policy for limited leasing before final regulations are in place
- Applies to resource data collection (met towers, ADCPs) and technology testing (wave buoys) activities
- 5-year authorizations, with no priority right for subsequent commercial development
- Interim policy does not apply to wind turbine installation



- MMS currently considering 43 nominations and evaluating comments received

AE Lease Form & Information Collection

- In December 2007 sought comments on lease form and the estimated information collection burden
- Lease describes:
 - Lease rights, term, bonding, and rentals
 - Project plan, reporting requirements
 - Inspection, compliance, and penalties
 - Removal

On the Horizon

- Coordinating with stakeholders
- Initiating AE environmental studies
- Issuing limited leases and reviewing plans
- Preparing environmental compliance documents (NEPA, ESA, CZMA etc)
- Monitoring activities
- Inspecting facilities

Questions?

