

TALKING POINTS—DRAFT OCS ALTERNATE ENERGY LEGISLATION

Background and Rationale for Legislation: *More and more, the private sector is considering non-traditional energy and energy-related projects on the OCS—including renewable energy projects such as wind, wave, and solar—as well as projects of a more traditional nature such as facilities to handle liquefied natural gas and compressed natural gas. In addition, the oil and gas industry is contemplating ancillary projects offshore that would directly support OCS oil and gas production—such as emergency medical facilities. However, the authority to permit these types of projects is not currently addressed under the OCS Lands Act.*

In analyzing the mechanisms currently in place to handle requests for innovative, non-traditional energy and energy-related projects on the OCS, it has become clear that—with limited exceptions—there currently exists no clear authority for the Federal government to comprehensively review, permit, and provide appropriate regulatory oversight for such projects. Instead, current authorities appear to be either non-existent or limited in scope. Furthermore, current authorities are not designed to ensure that the government’s myriad interests in such projects are fully considered. In the absence of new authority to address these deficiencies, the Federal government’s economic and land use interests cannot be adequately protected. Also, since the private sector has expressed hesitation to initiate innovative energy projects on the OCS in the absence of regulatory clarity/certainty, legislation to establish the authority to permit these activities would help expedite such projects and their associated public benefits.

The legislation was developed in consensus with all Federal agencies having any permitting responsibilities on the OCS.

Purpose of Draft Legislation: *The attached legislation is intended to address the issues raised above. It will clearly define the process for permitting alternate energy and related uses on the OCS; will ensure that the Federal interest in such projects are protected; will provide a focal point for both industry and other Federal agencies in reviewing and permitting such projects; and is designed to cover a variety of non-traditional energy and energy-related projects on the OCS—including renewable energy projects.*

What the Draft Legislation Will Do:

- ***It will directly support the Administration’s National Energy Plan initiative to simplify permitting for energy production in an environmentally sensitive manner. Further, it will support the Secretary’s goal of facilitating renewable energy projects.***
- ***It will provide the opportunity for innovative, alternative energy uses of public offshore lands while protecting the Federal government’s economic and land use***

interests. The legislation will provide the authority to the Secretary of the Interior to protect the Federal government's interests to capture appropriate fair value for the use of the Federal OCS for commercial activities; provide oversight and inspection of these innovative operations to ensure safety and environmental quality; and provide for proper abandonment and site clearance at the end of the project.

- *It will establish clear authority and provide a comprehensive regulatory regime for permitting various alternative energy uses on the OCS.*
- *It will provide for sound multiple-use management of Federal offshore lands for non-traditional energy and related uses by ensuring that they are conducted in a safe and environmentally sound manner.*
- *It will provide industry with certainty with respect to permitting requirements while also providing a mechanism to coordinate with all agencies having a role in the permitting process.*

What the Draft Legislation Will Not Do:

- *It will not supercede or modify the existing authority of any other agency with respect to the permitting of alternate energy projects.*
- *It will not authorize any leasing, exploration or development activities for oil or natural gas. Areas currently under congressional moratoria and administrative withdrawal for new oil and gas leasing will continue to be under such moratoria.*
- *It will not apply to areas that are designated as National Marine Sanctuaries.*