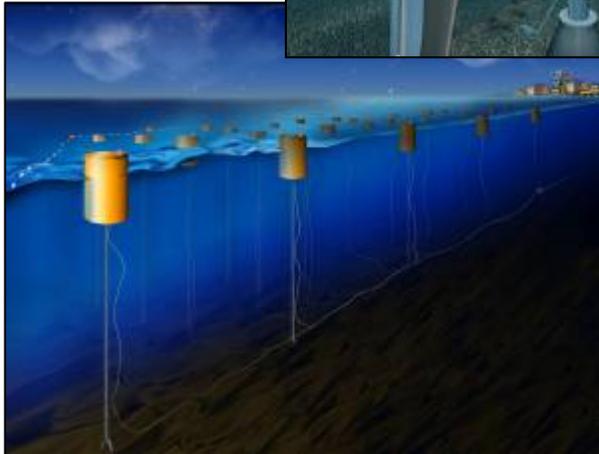


Alternative Energy Regulations & AE Interim Program



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Overview



- Alternative Energy (AE) Program Development
 - Milestones & Activities
 - Interim Policy
 - Rulemaking & Program Development
- Looking Ahead

Program Milestones & Activities

- Energy Policy Act (August 2005)
- Programmatic EIS (November 2007)
 - Record of Decision (January 2008)
- Interim Policy for Limited Leasing (issued November 2007)
- The Rule (proposed July 2008)
- Cape Wind Energy Project (in progress)
 - Draft EIS (January 2008)
 - DEIS public hearings completed (March 2008)
 - Final EIS (TBD)
 - Record of Decision (TBD)



Interim Policy

- 6 November 2007 MMS announced Interim Policy (IP) for limited leasing in the Federal Register
 - To allow limited lease on the OCS for data collection & small scale technology testing before final regulations
 - Authorizes 5-year term
 - Will *not* give priority right for subsequent commercial development
- Initially received over 40 site nominations from developers for their areas of interest
 - OCS Oregon & Northern California & in Mid- & South Atlantic
- April 2008 FR Notice announced nominations & sought affirmation that developers still wanted to proceed so as to establish competitive interest in priority lease areas



Interim Policy:

Recent & Ongoing Activities

- Currently considering 15 lease areas on OCS for IP leases
 - 4 of 7 applications received for lease areas off NJ & DE
 - No applications for remaining 5 IP projects on East Coast
 - West Coast IP areas (wave technologies) are inactive
- Held public stakeholder workshops in November 2008
 - Rehoboth Beach, DE – 5 November
 - Atlantic City, NJ – 6 November
 - Savannah, GA – 12 November
 - Ft. Lauderdale, FL – 14 November
- Anticipate issuing limited leases in 2009
 - For projects with applications already submitted, lease issuance anticipated in Q1 2009

The Rule

- Proposed Rule published in the Federal Register on 9 July 2008
- 60-day public comment period closed 8 September
- August Public Workshops held in D.C., Seattle, Portland, San Francisco, Boston, Monmouth, Savannah, & Ft. Lauderdale

The Rule: Who Commented

- **Private Citizens**
- **Government – Federal, State, Local, Tribal**
(e.g., U.S. Congress, National Park Service, GA DNR, ME State Planning Office, Quinault Indian Nation, San Francisco PUC)
- **NGOs, Interest Groups**
(e.g., Center for Food Safety, Mass. Audubon, Oregon Wave Energy Trust, Nature Conservancy, Surfrider Foundation)
- **Industry – Oil & Gas, Alternative Energy**
(e.g., AWEA, API, NOIA, Principle Power)
- **Research Organizations**
(e.g., Hubbs Seaworld Research Institute, VA Coastal Energy Research Consortium)

Comments publically available at www.regulations.gov

The Rule:

Alternative Energy Program

■ Coordination

- State/federal task forces

■ Leasing Process & Issuance

- Competitive & noncompetitive leasing
- Commercial & limited leases

■ Plans

- Site assessment
- Construction & operations
- General activities

■ Conduct of Approved Plan Activities

- Environmental & safety monitoring & inspections

■ Payments

- Bonding & payments

■ Decommissioning



The Rule:

Alternative Energy Comments

- 280 comments focused on alternative energy authorizing process
- Most Common Topics: state & local consultation, bonding, confidentiality, jurisdiction, revenue sharing, & environmental review processes
- Comments addressed in the final Rule

The Rule:

Alternate Use Comments

- Alternate Use Right of Use & Easement
- Included 3,000 identical comments
- Most Common Topics: authority, aquaculture, liability
- Comments addressed in final Rule

The Rule: Status

- Final Rule sent to OMB on 3 November 2008
- Rule has undergone review by OMB & other federal agencies
- MMS is awaiting clearance by OMB
- TDB by new administration



The Rule: Next Steps

- After the rulemaking is finalized, MMS will issue requests for interest & calls for information & nomination
- Based on the information received, MMS will determine how best to proceed within the processes outlined in the rulemaking
- MMS will work closely with coastal states
- Public workshops will be held on the final rule & processes

Looking Ahead

- Continue to work closely with states
- Implement the Rule
- Issue Interim Policy leases & review project plans
 - Coordinate with state, local, & tribal governments
 - Coordinate with relevant federal agencies
- Identify baseline data needs using an adaptive management philosophy



More Information ...



On the Web at

www.mms.gov/offshore/alternativeenergy