Offshore Renewable Energy Leasing Process

U.S. Department of the Interior
Minerals Management Service
Minerals Management Service

- Department of the Interior’s Ocean Energy Agency
- Manage the nation's renewable energy, natural gas, oil and other mineral resources on the Outer Continental Shelf
- Collect and distribute over $8 billion of annual revenues from Federal offshore and onshore mineral leases
Energy Policy Act 2005

Gave the Secretary of the Interior the authority to regulate a broad spectrum of activities:

- Production, transportation, or transmission of energy from sources other than oil and gas – “Renewable Energy”
- Use of currently or previously OCSLA-authorized facilities for energy-related purposes or for other authorized marine-related purposes – “Alternate Use”
EPAct Key Mandates

- Safety
- Protection of the environment
- Coordination with affected State, local, and tribal governments and Federal agencies
- Fair return for use of OCS lands
- Revenue sharing with States from activity in 8(g) zone
Renewable Energy Regulatory Framework

- President Obama announced the publication of the final Renewable Energy Framework on Earth Day 2009
- 30 CFR part 285
- Workshops held nationwide
Major Framework Elements

- Coordination (throughout rule)
  - Federal/State/Local Task Forces
- Leasing Process and Issuance (Subpart B)
  - Commercial & Limited Leases
  - Competitive & Noncompetitive Leasing
  - Research Activities
- Payments (Subpart E)
  - Bonding, Payments, Revenue Sharing
- Plans (Subpart F)
  - Site Assessment and Construction & Operations
  - General Activities
- Conduct of Approved Plan Activities (Subpart H)
  - Environmental & Safety Monitoring & Inspections
- Decommissioning (Subpart I)
Phases Under the Rule

- **Lease & Grant Issuance**
  - Commercial or Limited Leases
  - Grants

- **Plan Submission & Review**
  - Site Assessment Plan (SAP)
  - Construction and Operations Plan (COP)
  - General Activities Plan (GAP)
Initiating the Leasing Process

- MMS establishes an intergovernmental task force in response to a requesting State or the receipt of an unsolicited application.

- MMS, in consultation with the task force, develops a Request for Interest (RFI) to gauge level of interest and determine competitive interest.

  - MMS determines competitive interest and proceeds with the competitive leasing process.
  - MMS determines no competitive interest and proceeds with the noncompetitive leasing process.
Competitive Leasing Process

- Determination of competitive interest
- Call for Information and Nominations
- Proposed/Final Sale Notice
- Lease auction & award: Requires NEPA review
- Site Assessment Plan (SAP): Requires NEPA review
- Construction and Operations Plan (COP): Approval requires NEPA review
- Facilities Design Report (FDR) and Fabrication and Installation Report (FIR)
- Decommissioning Plan
Noncompetitive Leasing Process

- Determination of no competitive interest
- Applicant submits Site Assessment Plan (SAP)
- Lease Issuance and approval of SAP: requires NEPA review
- Construction and Operations Plan (COP): Approval requires NEPA review
- Facilities Design Report (FDR) and Fabrication and Installation Report (FIR)
- Decommissioning Plan
Coordination with Virginia

- **August – September 2009**: MMS received 2 unsolicited applications for areas within the VCERC study area

- First MMS VA Renewable Energy Task Force meeting held **December 8, 2009** in Virginia Beach

- Mapped potential RFI area of interest and sent to NASA, DOD and USCG for review

- **DOD** response indicated significant activity in VA Capes Operating Area
  - DOD identified 52 of 70 leasing blocks as “incompatible”
  - Met with DOD on **March 17, 2010** to discuss DOD comments
Coordination with VA, Cont’d

- Second Task Force meeting held April 27, 2010 in Williamsburg
  - DOD identified additional potential development areas to the east and west of original area of interest, providing a total of 36 OCS blocks for consideration
  - MMS and DOD are evaluating additional blocks in center, north and east

- Next steps-
  - Prepare draft RFI
  - Publication of RFI in Federal Register
  - Determination of competitive interest
  - Competitive and/or noncompetitive leasing process
Major Tasks

- Contact Key Players on the OCS
  - NASA Wallops Island
  - Coast Guard
  - Department of Defense
NASA Activities
*The WFF range hazard area has been graphically represented at 165 nautical miles for planning purposes only. The actual hazard area can extend beyond 165 nautical miles.
Coast Guard Mission

- **Maritime Safety**: Semper Paratus to respond to calls for help at sea.
- **Maritime Security**: Protect America's maritime borders from all intrusions
- **Maritime Transportation**: Facilitate maritime commerce and eliminate interruptions and impediments to the efficient and economical movement of goods and people, while maximizing recreational access to and enjoyment of the water.
- **National Defense**: Defend the nation as one of the five U.S. armed services.
- **Protection of Natural Resources**: Eliminate environmental damage and the degradation of natural resources.
Department of Defense

- W-50 overlies that portion beyond three miles from the coast of Dam Neck
- W-72A is seaspace and accompanying airspace located in the southwestern quadrant of the VACAPES OPAREA.
Radar Reflective Surface Balloon (Killer Tomato™)
CATEGORY 2:
Surface / Helicopter transit
- Possible spacing stipulations

CATEGORY 3:
Mine Warfare Countermeasures Training
- Helicopter towing mine sleds over mine ranges

CATEGORY 3:
Aerial/Surface Target Live Fire Ops
- Surface-to-air / Surface-to-surface target training

FEB 2010 Assessment
Additional Blocks Assessed for Wind Farm Development
Drone Target Events

- Dam Neck launch site (one-of-a-kind facility)
- Remotely operated surface and aerial targets
- Transits W-50 for targeting in W-72 (1A/1B)
- Returns via transit corridor
- Lands in W-50 / W-72(13) for retrieval

Drone Transit Corridor

CATEGORY 2: Surface Ship, Helicopter Transit
- Possible tower spacing stipulations
- Possible tower height restrictions
- Possible radar tracking interference with FACS FAC radar

CATEGORY 2: Air Intercept Control Training Helicopter Transit
- Possible radar tracking interference
- Possible tower spacing limitations
- Possible tower height restrictions

CATEGORY 3: Aerial/Surface Target Live Fire Ops
- Surface-to-air / Surface-to-surface target training

CATEGORY 3: Air-air/ Surface-surface Live Fire
- Air-surface Live Ordnance
  - Mk80 series bombs, Hellfire, Maverick
  - Live fire training against towed banners

APR 2010
Lease Block Extension Consideration
Questions?

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