THE NEWS ROOM

FOR RELEASE:
July 14, 2011

THE BUREAU OF OCEAN ENERGY MANAGEMENT, REGULATION AND ENFORCEMENT

Office of Public Affairs

BOEMRE Director Delivers Opening Remarks for Renewable Energy Workshop

Focuses on Environmental Considerations for Offshore Wind Energy Development

HERNDON, Va. — Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) Director Michael R. Bromwich delivered opening remarks today at the bureau's Atlantic Wind Energy Workshop in Herndon, Va.

The bureau hosted the three-day workshop as part of a Memorandum of Understanding between the Department of the Interior and the Deparment of Energy to coordinate environmental monitoring and baseline studies in support of environmental assessment and consultations for potential projects in the mid-Atlantic Wind Energy Areas. As part of the "Smart from the Start" wind energy initiative to spur renewable energy development on the Outer Continental Shelf (OCS), this workshop will assist BOEMRE and its federal partners in environmental and technical reviews of Wind Energy Areas and in the evaluation of new projects.

Director Bromwich touched on the role of offshore renewable energy development in the Administration's Blueprint for a Secure Energy Future, and explained how the bureau's Offshore Renewable Energy Program is being elevated through the overall reorganization of the former Minerals Management Service. The Director also highlighted steps the bureau is taking internally and with other federal agencies and state partners to streamline the leasing process while ensuring environmental protection as projects move forward.

Director Bromwich's remarks, as prepared for delivery, are below:

Good morning. Welcome to the Atlantic Wind Energy Workshop. It's a pleasure to be here to kick-off what I expect will be three days of informative discussion, useful information-sharing and interdisciplinary analyses. We hope that this Workshop will assist in guiding future federal research priorities and strengthen the nation's collective scientific and technical knowledge to support responsible leasing and development of wind energy resources on the Outer Continental Shelf (OCS).

Renewable energy is a high priority of this Administration. On March 30, the Administration released a Blueprint for a Secure Energy Future, highlighting the vital role energy plays in our economy. This blueprint sets forth President Obama's proposal for an ambitious but achievable standard for America: by 2035, to generate 80 percent of our electricity from a diverse set of clean energy sources. Meeting the President's target will position the United States as a global leader in developing and manufacturing clean energy technologies. It will ensure continued growth in the renewable energy sector. And it will spur innovation and investment in our nation's energy infrastructure.

At the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), we are responsible for renewable energy resources on the nation's OCS, which itself holds great potential for helping to meet the President's goals. To make this vision for offshore renewable energy development a reality, we are faced with tremendous opportunities as well as complex challenges.

Information from this week's meeting will assist us and our federal partners as we conduct critical environmental and technical reviews of wind energy areas and as we evaluate future projects. I am going to briefly lay out the framework we are working with, and the steps we are taking to aggressively move forward to achieve our goals.

Our agency is relatively new to renewable energy, having first received the regulatory responsibility for offshore renewable energy in 2005. Even so, we have already reached some important milestones.

- In 2009, we published our renewable energy regulatory framework and issued four leases for resource data collection offshore Delaware and New Jersey.

- In 2010, we initiated the commercial leasing process off Delaware, Maryland and Massachusetts. The first commercial wind lease was signed by Secretary of the Interior Ken Salazar and Cape Wind Associates for a project in federal waters offshore Massachusetts.

- And in 2011, we initiated the commercial leasing process off New Jersey and we received 11 expressions of interest from 10 companies for commercial wind development offshore Massachusetts.

- We also approved the Cape Wind Construction and Operations Plan, which makes it the first plan of its kind that has been approved. BOEMRE conducted an environmental assessment – or EA – to determine whether there were any significant environmental impacts that had not been previously addressed and concluded that all impacts had been properly examined. We also issued a Record of Decision, which details the terms and conditions that Cape Wind Associates will need to follow in addition to those established in the lease agreement.

These accomplishments are just the first steps on the path to a future with a substantial offshore renewable energy industry. All of us at BOEMRE are dedicated to leading the way on this journey, and I welcome this opportunity to share with you some of our other achievements and update you on where we are headed.

I. Reorganization

We are in the process of reorganizing the former Minerals Management Service (MMS) into three strong, separate agencies within the Department of the Interior. The new structure will eliminate the inherent mission conflicts that existed when MMS was responsible for promoting resource development, enforcing safety regulations, and collecting revenues from offshore operations. The President's Commission on the Deepwater Horizon oil spill found that these conflicts resulted in an agency that was guided for decades by a predominant interest in maximizing revenues for the U.S. Treasury, rather than promoting safety and rigorous oversight. That was unacceptable, and that is why one of our guiding principles has been to eliminate those conflicts by separating and clearly delineating missions across the three new agencies.

The first stage of reorganization took effect on October 1, 2010, when the revenue collection arm of the former MMS became the Office of Natural Resources Revenue – now located in a separate part of the Department of the Interior, reporting through a separate chain of command.

The resource management and safety and enforcement functions of the former MMS currently reside in BOEMRE. On October 1, these functions will be separated out into two new independent agencies with clearly focused missions. These agencies will be the Bureau of Ocean Energy Management - or BOEM - and the Bureau of Safety and Environmental Enforcement – or BSEE.

BOEM will be responsible for managing development of the nation's offshore resources, including renewable energy resources, in an environmentally and economically responsible way.

BSEE will develop and enforce safety and environmental regulations.

Within BOEM, we have elevated our Renewable Energy Program, and it will be led by Maureen Bornholdt, whom many of you know and whom you will hear from this morning. The Renewable Energy Program will report directly to the office of the Director in BOEM, with responsibilities to formulate national strategy and develop policies and practices, as well as manage offshore renewable energy activities.

This new organizational structure relative to renewable energy will enhance our ability to facilitate efficient and environmentally-sound renewable energy development. By making offshore renewable energy an important headquarters function, we can best advance the Department's missions and strategic goals, and be responsive to the needs of this emerging industry.

We will rely on BSEE's engineering expertise to provide critical input into permit reviews and the inspection processes for wind, wave and ocean current projects once they have been constructed and are operating. And in the longer term, when an industry has been stood up, we might expect to see some additional capacity that needs to be added in BSEE.

II. Scientific Integrity in Decision-Making

One of the guiding principles of our reform agenda for offshore energy development is a renewed commitment to use credible and unfiltered scientific data as the basis for sound decision-making.

Renewable energy development has emerged as an opportunity to provide valuable energy to the nation. But this opportunity brings with it new challenges for the environmental, engineering and structural analyses that are required to evaluate offshore energy projects. Our internal scientific community will have a very strong voice as these analyses proceed.

Last September, Secretary Salazar established a Scientific Integrity Policy for the Department of the Interior. BOEMRE embraces its principles – that government employees must never suppress or alter, without new scientific or technological evidence, any scientific or technical findings or conclusions.

While the Secretarial Order formalizes this policy, we embraced this concept as a keystone of our program in the 2009 final regulatory framework for offshore renewable energy. Under this framework, we continue to use principles of adaptive management to integrate results from environmental studies and lessons learned from onsite monitoring into our project oversight and planning.

The science and research programs within BOEMRE are fully engaged in supporting our renewable energy program. BOEMRE's strong Environmental Studies program is actively collecting biological, geospatial, socio-economic and cultural information in offshore areas that hold renewable energy development potential. This data is critical in determining and evaluating the effects of OCS renewable activities on natural, historical and human resources, and in defining the appropriate monitoring and mitigation of those effects.

Additionally, the agency's Technology Assessment and Research Program is conducting research associated with operational safety, engineering standards for ocean-based renewable energy devices, and associated pollution prevention.

Creating and maintaining a culture of scientific integrity will enable us to make wind energy development decisions with a full, science-based understanding of the risks posed by those activities and what can and should be done to mitigate those risks.

III. EPAct and the Regulatory Framework

BOEMRE took on the role as the manager of OCS renewable energy leasing and development following enactment of the Energy Policy Act of 2005. Some of the key mandates of law address safety; protection of the environment; coordination with affected state, local and tribal governments, and other federal agencies; and a fair return for the use of OCS lands. The law also called for the development of regulations to carry out these and other mandates.

The final regulatory framework for renewable energy activities was published in April 2009. The

framework provides a comprehensive approach to offshore renewable energy initiatives - from preliminary study and lease issuance, to construction and operation, to decommissioning of projects.

The regulatory framework lays out all of BOEMRE's information and process requirements—for example, how to submit lease requests and associated plans. We have been continually augmenting it with more detailed guidance documents. The framework and relevant guidance can be found on our website: **www.boemre.gov**.

The framework outlines two different leasing processes: competitive and noncompetitive. Legislation requires that OCS wind leases be issued on a competitive basis unless we formally determine that there is no competitive interest after the public has been notified of proposed lease areas. After leases are issued, lessees must submit plans for site assessment and construction and operations activities for BOEMRE to review and approve.

The regulatory process requires BOEMRE to comply with a host of federal statutes, including the National Environmental Policy Act (NEPA), the Coastal Zone Management Act, Endangered Species Act and the Migratory Bird Treaty Act.

To ensure that we meet the mandate of coordination and consultation that is required by law, we have established intergovernmental task forces consisting of representatives from the respective states, local and tribal governments, and other federal agencies with equities in the areas being examined.

We have established these task forces in 10 states - nine on the East Coast and one on the West Coast, and they have proved to be an extremely useful tool in helping to inform our decision-making as we consider areas of the OCS for renewable energy leasing and development. It's important to note that, while I'm focusing on wind today, one of these task forces is concentrating on marine hydro-kinetic energy – energy from ocean waves.

IV. Smart from the Start

In November 2010, Secretary Salazar launched the "Smart from the Start" wind energy initiative for the Atlantic OCS. This initiative was developed in response to concerns that the process of formulating and approving offshore renewable projects took too long. "Smart from the Start" is designed to facilitate siting and leasing for commercial wind projects on the OCS, to encourage responsible development and to ensure that projects are built in the right way and in the right places.

"Smart from the Start" has three key elements:

(1) streamlined processes for commercial wind lease issuance;

(2) identification of Wind Energy Areas (WEAs) followed by concerted information gathering; and

(3) proceeding on a parallel but separate track to evaluate offshore transmission line proposals.

We are continuing to work on our regulatory processes to make them more efficient. In May, Secretary Salazar and I announced the elimination of a redundant step in the noncompetitive leasing process for commercial renewable energy development on the OCS.

Prior to our action, regulations required us to issue two separate notices to determine whether there was competitive interest in a particular area when we initiate the renewable energy leasing process. Even if the initial Federal Register notice attracted no competitive interest, we were required to issue a second notice to reconfirm that lack of competitive interest. That struck us as inefficient and unnecessary, and we worked to remove that second step. This final rule took effect on June 15.

This rule change is only one step toward making the leasing process more efficient for the emerging offshore renewable energy sector. We will continue to explore and use the flexibility

contained within the regulatory framework and continue to review the it to identify additional opportunities to reduce the total time involved in the leasing and permitting process.

Under “Smart from the Start,” we are working with state, federal, local and tribal entities and other interested stakeholders to better coordinate the selection of suitable areas for potential development off the coasts of Atlantic states. Where appropriate, we want to look at the potential for leasing in a regional context, through a regional EA that will let us know whether there are any unacceptable environmental impacts from the proposal to lease in a specific region. Our intergovernmental task forces are helping us identify areas with generally abundant wind energy resources and fewer potential environmental and use conflicts than other offshore areas. The task forces play a key role in facilitating communications among federal, state, local and tribal entities to ensure that information needs and multiple use concerns and solutions are identified early in the leasing process.

Another important aspect of the “Smart from the Start” effort is efficient and close coordination with other federal agencies to compile and analyze existing site data. To that end, Secretary Salazar established the Atlantic Offshore Wind Interagency Working Group. This group serves a vital role in collecting and sharing data about designated WEAs.

The first WEAs—offshore Delaware, Maryland, New Jersey and Virginia—were announced in February, and we hope to begin offering leases in these areas by the end of the year. We are working to identify other areas that appear most suitable for further leasing consideration in the northern Atlantic off the coasts of Massachusetts and Rhode Island, and in the southern Atlantic off the coast of North Carolina.

A key element of our new approach is to use an EA to evaluate the potential impacts associated with lease issuance and site assessment and characterization activities in the WEAs. The leasing process could be shortened if the EA finds that there are no significant associated impacts.

Under this approach, the detailed analysis of the effects of building and operating wind facilities will be deferred until lessees submit actual construction and operations plans. We will then undertake a separate NEPA process—most likely through the preparation of an environmental impact statement - or EIS—to analyze those activities.

Just yesterday, we released for public comment a draft EA for offshore commercial wind leasing and site assessment in the first four WEAs. This draft EA considers potential environmental and socioeconomic effects of issuing wind energy leases, subsequent site characterization surveys, and approval of site assessment activities in designated WEAs offshore New Jersey, Delaware, Maryland and Virginia. Comments on the draft EA will be considered in the preparation of the final EA and will assist BOEMRE in determining whether an EIS needs to be prepared, or whether a Finding of No Significant Impact is warranted in connection with issuing renewable energy leases on the OCS offshore the mid-Atlantic states.

As for the third element of the “Smart from the Start” initiative, just last March we received our first application for an offshore transmission backbone. The backbone would support multiple wind projects in the Atlantic and would provide several interconnections to the grid. This right-of-way application from Atlantic Grid Holdings for the Atlantic Wind Connection Project proposes to install a transmission line offshore New York, New Jersey, Delaware, Maryland and Virginia that would collect power generated by future offshore wind generation and deliver it to the grid. We are currently in the process of reviewing the application according to the renewable energy regulations. The next step in our process is to assess whether there is competitive interest.

V. Coordination

In addition to the Task Forces and Working Group I mentioned, we are taking several other steps to enhance coordination as we move forward in the area of offshore renewable energy.

Secretary Salazar joined with 11 Atlantic state governors in 2010 to establish the Atlantic Offshore Wind Energy Consortium to foster a unified effort to bring Atlantic offshore wind energy to market. The Department of the Interior and states in the consortium adopted a Memorandum of Understanding (MOU) calling for the development of action plans and recommendations related to the regulatory and permitting processes, and to acquire and use scientific data.

Also in 2010, DOI and the Department of Energy (DOE) signed an MOU to address numerous offshore renewable energy issues of mutual interest to expeditiously develop a sustainable, world-class offshore wind industry in a way that reduces conflict with other ocean uses and protects coastal and marine resources. The two agencies also announced a national offshore wind strategy. The national strategy calls for 10 gigawatts of new wind energy capacity from offshore sources – including state waters and the Great Lakes – by 2020, and 54 gigawatts by 2030.

Under the MOU, the Environmental and Social Sciences Working Group was established to develop environmental monitoring and mitigation protocols. A goal of this group is to develop and conduct a series of workshops, like this one, to bring together as many entities as possible that are conducting environmental surveys on the Atlantic OCS to share information, facilitate coordination, and to work toward adoption of common survey methods.

We have also been working with a number of federal agencies to improve coordination and maximize efficiencies in our research programs and regulatory processes. We have signed MOUs with the Federal Energy Regulatory Commission, the U.S. Fish and Wildlife Service, and the National Oceanic and Atmospheric Administration (NOAA). We have MOUs in development with other federal agencies that we are working to execute in the near future.

The “Smart from the Start” initiative will be fully integrated with President Obama’s July 2010 Executive Order on coastal marine spatial planning efforts, or CMSP. We worked with our partners at NOAA to provide the geospatial framework needed for the broader CMSP initiative that is called for in the President's ocean agenda. We gathered the most comprehensive data about these regional offshore areas, and made this information accessible to the public last month in a database called the Multipurpose Marine Cadastre.

Another important part of the coordination process calls for actively engaging key stakeholders. BOEMRE continues to reach out to those outside of government to clarify our regulatory processes, share information and to identify and address issues concerning potential OCS renewable energy activities.

VI. Conclusion

We all have a role to play in building a secure energy future for America. Here today, we are moving forward collectively in support of the Administration’s ambitious clean energy goals. Success is achievable. How and when we attain that success is, in part, dependent upon the active communication and coordination among our respective agencies and organizations.

I encourage you to fully engage in discussions over the next three days to help define and advance our collective scientific knowledge, identify critical data gaps, and outline strategies for enhancing collaboration in future environmental studies and research.

As BOEMRE continues with its comprehensive regulatory reforms and reorganization, I assure you that we will remain focused and dedicated to leading the nation toward a renewable energy future.

Thank you for your time and attention. And thank you for your participation in the Atlantic Wind Workshop. I will be happy to take a few questions at this time.

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