

**Statement of**  
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**U.S. Department of the Interior**

**Before the**  
**House Committee on Natural Resources**  
**Subcommittee on Energy and Mineral Resources**

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Chairman Stauber, Ranking Member Ocasio-Cortez and members of the Subcommittee, I am pleased to appear before you today to discuss the mission and proposed budget of the Bureau of Ocean Energy Management (BOEM, Bureau). My name is Liz Klein, and I am the Director of BOEM at the Department of the Interior (Department).

BOEM is taking a leading role in transitioning the U.S. to a clean energy future – one that will advance renewable energy, create good-paying jobs, and ensure economic opportunities are accessible to all communities, including underserved communities that have powered this nation for generations, while continuing to manage the development of oil and gas resources on the Outer Continental Shelf (OCS) in an environmentally and economically responsible manner. BOEM is working with Tribal Nations, other Federal agencies, state and local governments, underserved communities, ocean users, and other key stakeholders to ensure that offshore energy development is done responsibly and relies on the best available science and Indigenous knowledge. Together, with our partners, we can move forward with offshore energy development in a way that helps create a cleaner, more sustainable energy future for our nation.

**FY 2024 Budget Request**

The 2024 Budget Request proposes \$268.2 million for BOEM operations, including \$57 million in offsetting collections. The 2024 Budget Request includes a net increase in BOEM’s total budget authority of approximately \$50.6 million from the 2023 Enacted Budget baseline level.

BOEM’s 2024 Request reflects a rigorous analysis of the resources needed to further Administration priorities and develop the Bureau’s capacity to execute its mission

carefully, responsibly, and effectively in service of the American people. It will equip BOEM to continue to bolster the Nation's energy security, foster climate resilience, meet the rising demand for renewable energy, create greater certainty for industry, conduct more environmental studies to inform decision-making, and further build the National Offshore Sand Inventory and advance critical minerals science.

In addition, the 2024 Budget Request supports the development of an Offshore Carbon Sequestration Program. This request funds the implementation of new authority granted in the Infrastructure Investment and Jobs Act (IIJA). The proposed funding would enable BOEM to effectively oversee this new activity in partnership with the Bureau of Safety and Environmental Enforcement (BSEE) by building a dedicated team of specialized experts and acquiring and maintaining Geological Interpretive Tools that will allow for the characterization of potential sequestration sites and carbon dioxide (CO<sub>2</sub>) plume migration in the subsurface. Funding will also facilitate the development of a model and methodology for a comprehensive, national-level assessment of CO<sub>2</sub> storage capacity across the OCS.

### **Renewable Energy**

Offshore wind has the potential to play a critical role in meeting President Biden's goals of a fully carbon-free power sector by 2035 and building a new domestic industry from the ground floor. The Departments of the Interior, Energy, and Commerce have established a goal to deploy 30 GW of offshore wind by 2030, which could support nearly 80,000 jobs. More recently, the Department of the Interior also announced an additional goal to deploy 15 GW of floating offshore wind capacity by 2035.

Renewable energy development activities include the siting and construction of offshore wind facilities on the OCS, as well as the development of other forms of offshore renewable energy resources such as wave and current energy. BOEM facilitates the responsible development of these resources through conscientious planning; meaningful engagement with Tribal Nations, government entities, ocean users and other diverse stakeholders; comprehensive environmental analysis; and sound technical review.

To date, BOEM has held 10 competitive lease sales and issued 27 commercial wind leases in the Atlantic Ocean from Massachusetts to North Carolina, generating over \$5 billion in high bids and over \$6.4 million in annual rental revenue, forming the foundation for an emerging offshore wind industry in the U.S. Most recently, BOEM held an auction for five wind leases offshore California, the first lease sale to help achieve the 15 GW goal for floating offshore wind by 2035. BOEM is also in the planning stages for identifying areas for potential wind leasing offshore the Central Atlantic, Gulf of Maine, Gulf of Mexico, and Oregon. The Inflation Reduction Act directed the Department to work with the Governments of U.S. Territories to determine the

suitability of, and start planning for, offshore wind leasing off their respective coasts, and BOEM intends to focus first on working with Puerto Rico.

BOEM is making considerable progress towards our goal of 30 GW by 2030. The Bureau has approved two commercial offshore wind projects in the Atlantic (Vineyard Wind offshore Massachusetts and South Fork offshore New York) and is currently processing an additional 16 construction and operations plans, which together would total nearly 27 GW if approved.

BOEM will continue to advance its renewable energy program through identifying new Wind Energy Areas (WEAs), pursuing informed leasing efforts, and improving its permitting and environmental review processes. This includes an efficient and effective process for reviewing plans to develop existing leases, and an inclusive and transparent process for identifying areas for potential future lease sales. BOEM will continue focusing on reviewing proposals for potential renewable energy projects spurred by the renewable energy goals of the Administration and coastal States.

As part of BOEM's commitment to acquire and use the best available information and Indigenous knowledge in its decision-making, BOEM is improving its processes for identifying future offshore wind energy sites. For example, BOEM is collaborating with the National Oceanic and Atmospheric Administration's (NOAA) National Centers for Coastal Ocean Science to employ a spatial model that analyzes entire marine ecosystems. This ocean planning tool will help inform BOEM's draft WEAs and will be available for public review and comment prior to final WEA designations. The Bureau is applying these changes to ongoing planning efforts in the Gulf of Mexico, Central Atlantic, Gulf of Maine, and off the Oregon coast.

At BOEM, we engage Tribes, our government partners, ocean users, and other key stakeholders throughout our planning process to identify areas where environmental impacts and user conflicts can be avoided, reduced, or mitigated. For example, in partnership with NOAA Fisheries, BOEM has developed a joint Draft North Atlantic Right Whale and Offshore Wind Strategy to protect and promote the recovery of that endangered whale while responsibly developing offshore wind energy. The strategy focuses on improving the science and identifying approaches to mitigate and monitor offshore wind development impacts on North Atlantic right whales. The strategy also establishes the agencies' plans to engage Tribal Nations, state and local governments, partners, ocean users, and other stakeholders on these issues.

Offshore wind has the potential to play an integral role in our Nation's future energy portfolio. BOEM will continue to work closely with other Federal agencies, Tribal Nations, states, and many key stakeholders to ensure the responsible development of this sector.

## **Conventional Energy**

As of April 1, 2023, BOEM is managing 2,145 active oil and gas leases on approximately 11.5 million acres of the OCS, of which approximately 74 percent are not yet in production. BOEM's obligations under the OCS Lands Act for conventional energy include administering existing leases, permitting geological and geophysical surveys, reviewing exploration and development plans, evaluating resources, and developing a National OCS Oil and Gas Leasing Program (National OCS Program). In meeting these obligations, BOEM supports energy security, environmental protection, and economic development, including a fair market value for the American taxpayer, mitigation of adverse environmental impacts, and maintenance of adequate financial assurance by leaseholders.

As required by section 18 of the OCS Lands Act, BOEM prepares the National OCS Program to schedule proposed offshore oil and gas lease sales over a 5-year period. The National OCS Program is designed to best meet the Nation's energy needs while balancing potential access to oil and gas resources with the potential for adverse impacts from such activity.

On July 1, 2022, the Department announced the availability of the Proposed Program and the Draft Programmatic Environmental Impact Statement for the 2023-2028 National OCS Program. The Proposed Program includes a range of potential OCS oil and gas lease sales, from zero to ten potential lease sales in the Gulf of Mexico and up to one potential lease sale in the Cook Inlet Planning Area of Alaska. The Department expects to complete and publish the Proposed Final Program in September 2023 with a final decision issued by the Secretary before the end of the year.

## **Carbon Sequestration**

In 2022, BOEM began the process of developing a Carbon Sequestration Program for the OCS. Section 40307 of the IIJA amended the OCS Lands Act to authorize the Secretary of the Interior to grant a lease, easement, or right-of-way on the OCS for activities that "provide for, support, or are directly related to the injection of a carbon dioxide stream into sub-seabed geologic formations for the purpose of long-term carbon sequestration." Additionally, the IIJA directs the Secretary of the Interior to promulgate regulations to carry out this new authority. BOEM and BSEE have been working together on these regulations.

We intend for the regulations to provide sound regulatory oversight by both BOEM and BSEE and to assure the American public that carbon sequestration operations on the OCS will be safe and protective of the environment. BOEM is requesting funds to develop a Carbon Sequestration Program comprised of specialized experts to implement and enforce the regulations, and to conduct the necessary scientific research to inform future decision-making.

## **Marine Minerals**

The OCS Lands Act gives the Secretary of the Interior responsibility for managing marine mineral exploration and development on the OCS. BOEM's Marine Minerals Program carries out that charge, facilitating access to and managing these crucial resources to support resilient coasts, natural disaster preparedness, climate change adaptation, and critical infrastructure development and protection. BOEM's marine minerals mission involves environmentally responsible stewardship, mineral resource exploration and leasing activities, coordination with governmental partners, engagement of stakeholders, and scientific research to improve decision-making and manage risk.

As of March 2023, BOEM had conveyed the rights to nearly 188 million cubic yards of OCS sediment and executed 66 negotiated agreements for projects in eight States that have restored nearly 449 miles of coastline. BOEM expects to facilitate additional mineral exploration and leasing through FY 2024 on the Gulf of Mexico and Atlantic OCS, including the potential for the first negotiated agreement with the State of Texas.

BOEM continues to see a trend of increasing numbers of requests for OCS sediment, as well as a commensurate increase in the volume of OCS sediment allocated per year. These trends are driven by diminishing resources in state waters and a high frequency of recent storms along the Atlantic and Gulf of Mexico coasts. Because of this, BOEM is continuing the development of a National Offshore Sand Inventory to identify potential sources of sand for projects and to facilitate long-term planning.

Critical minerals also continue to be a focal area for BOEM's Marine Minerals Program. BOEM is building the National Offshore Critical Mineral Inventory to centralize information about potential OCS critical mineral resources and environmental conditions associated with critical mineral-bearing deposits. In FY 2023 and 2024, BOEM will conduct baseline assessment and environmental characterization work in the Alaska, Pacific, and Gulf of Mexico regions.

## **Environmental Program**

All of BOEM's authorizations for energy and minerals exploration and development are subject to the environmental safeguards developed through the studies and assessments of BOEM's Environmental Program. For 50 years, the Bureau's Environmental Studies Program (ESP) has funded research on the potential environmental impacts of activities the Bureau authorizes. Because of the quality, scale, and duration of studies performed under its auspices, the ESP is a leading contributor to the growing body of scientific knowledge about the Nation's marine and coastal environments, leveraging partnerships with academic institutions and other Federal agencies to produce top-tier scientific work.

BOEM's environmental assessment staff use ESP and other research results to evaluate the environmental impacts of energy and mineral development and to develop measures for incorporation in leases, plans, and permits to mitigate and monitor those impacts. These mitigation measures are the fabric for regulatory compliance work by BOEM and BSEE.

A key recent addition to BOEM's science and assessment capabilities is the Bureau's Center for Marine Acoustics, whose work has already established it as a trusted voice in the scientific community. Additionally, since 2015, BOEM has sponsored a standing committee and other work by the National Academies of Science, Engineering and Medicine to provide the Bureau with independent and authoritative advice on our Environmental Program. Advice from the Academies, first established by Abraham Lincoln, is a foundation for the excellence that our Environmental Program continuously pursues.

### **Conclusion**

Thank you once again for the opportunity to join you here today. BOEM's proposed FY 2024 budget reflects the Administration's continued commitment to ensuring a clean and low-cost energy future, one that is sustainable and beneficial to all Americans. Our work together has the potential to shape future generations for the better, and my team and I look forward to working with the Subcommittee on these important issues moving forward. I would be happy to answer any questions you may have.