

OCS RESEARCH LEASE REGULATORY FRAMEWORK

**John B. Smith, Bureau of Ocean
Energy Management**

Honolulu, Hawaii, March 7, 2012

STATUTORY AUTHORITY

OCS RESEARCH LEASES

- Code of Federal Regs.: 30 CFR 585.238
- Authorizes the Director to issue leases and grants to a Federal agency or a State for renewable energy research activities that support the future production, transportation or transmission of renewable energy.
- www.boem.gov/regulations/index.aspx

POTENTIAL RESEARCH ACTIVITIES ON THE OCS

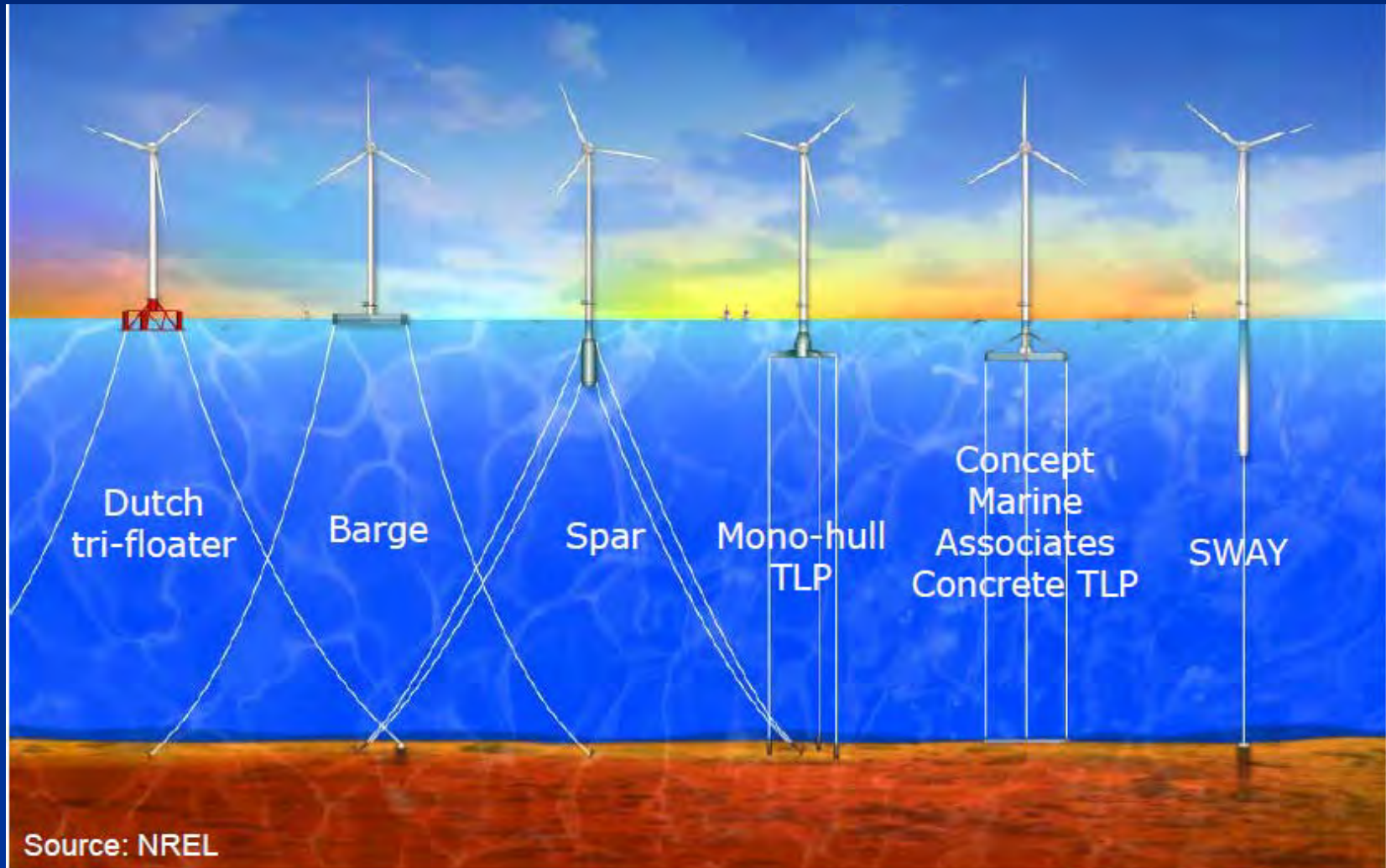
- Floating deepwater wind turbines
- Compressed air storage systems
- Wave energy conversion devices
- Other innovative systems

FLOATING DEEPWATER WIND TECHNOLOGY

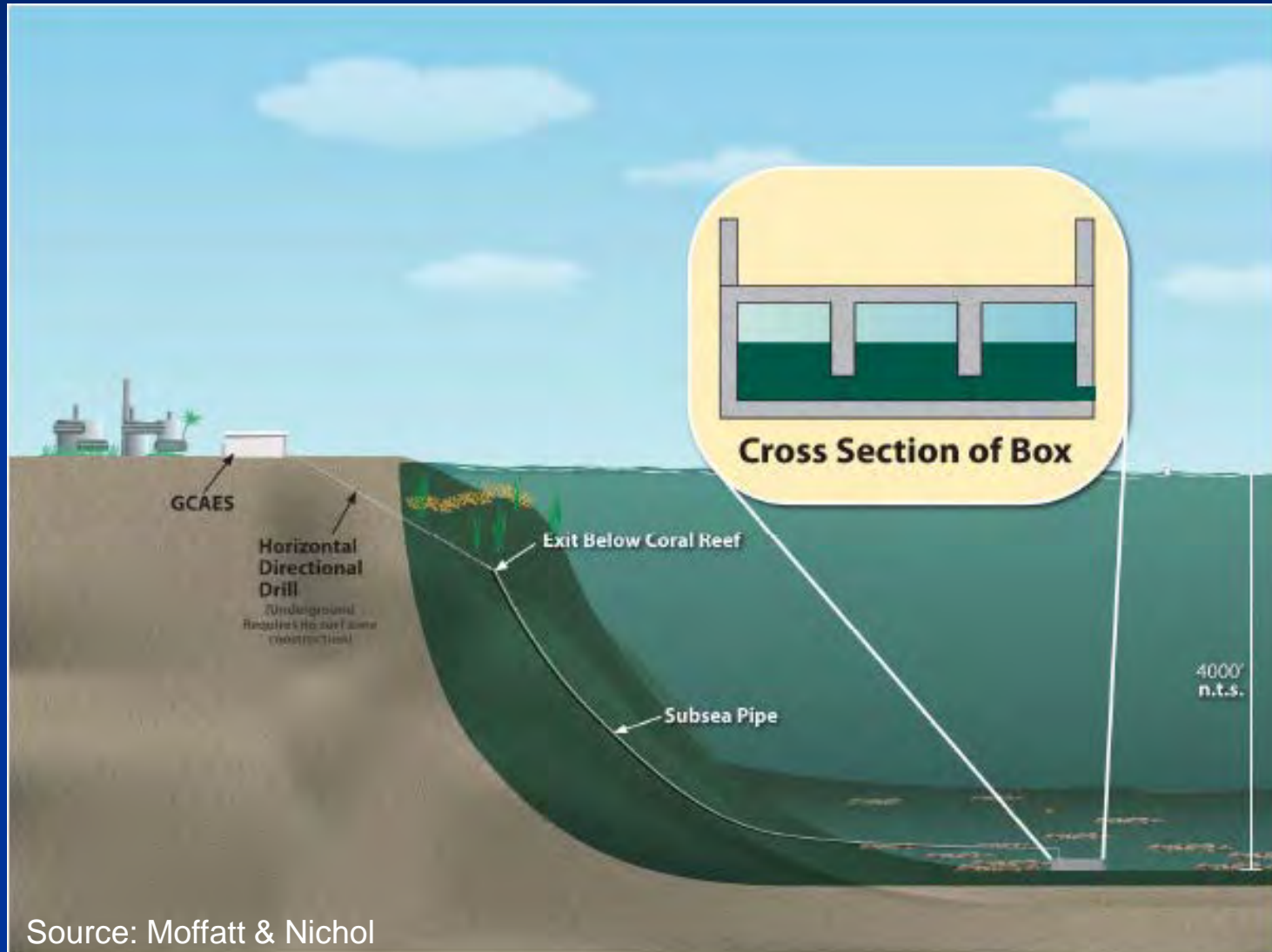


Source: Principle Power, Inc.

FLOATING DEEPWATER TURBINE TECHNOLOGY



COMPRESSED AIR STORAGE TECHNOLOGY



Source: Moffatt & Nichol

OCS RESEARCH LEASE REGULATIONS 30 CFR 585

- Who can hold an OCS research lease?
- What OCS areas are open to consideration for issuing leases?
- What areas are excluded by EPAct from leasing consideration?
- What process is followed in issuing OCS research leases?
- Interest expressed in OCS research leases.

WHO CAN HOLD AN OCS RESEARCH LEASE?

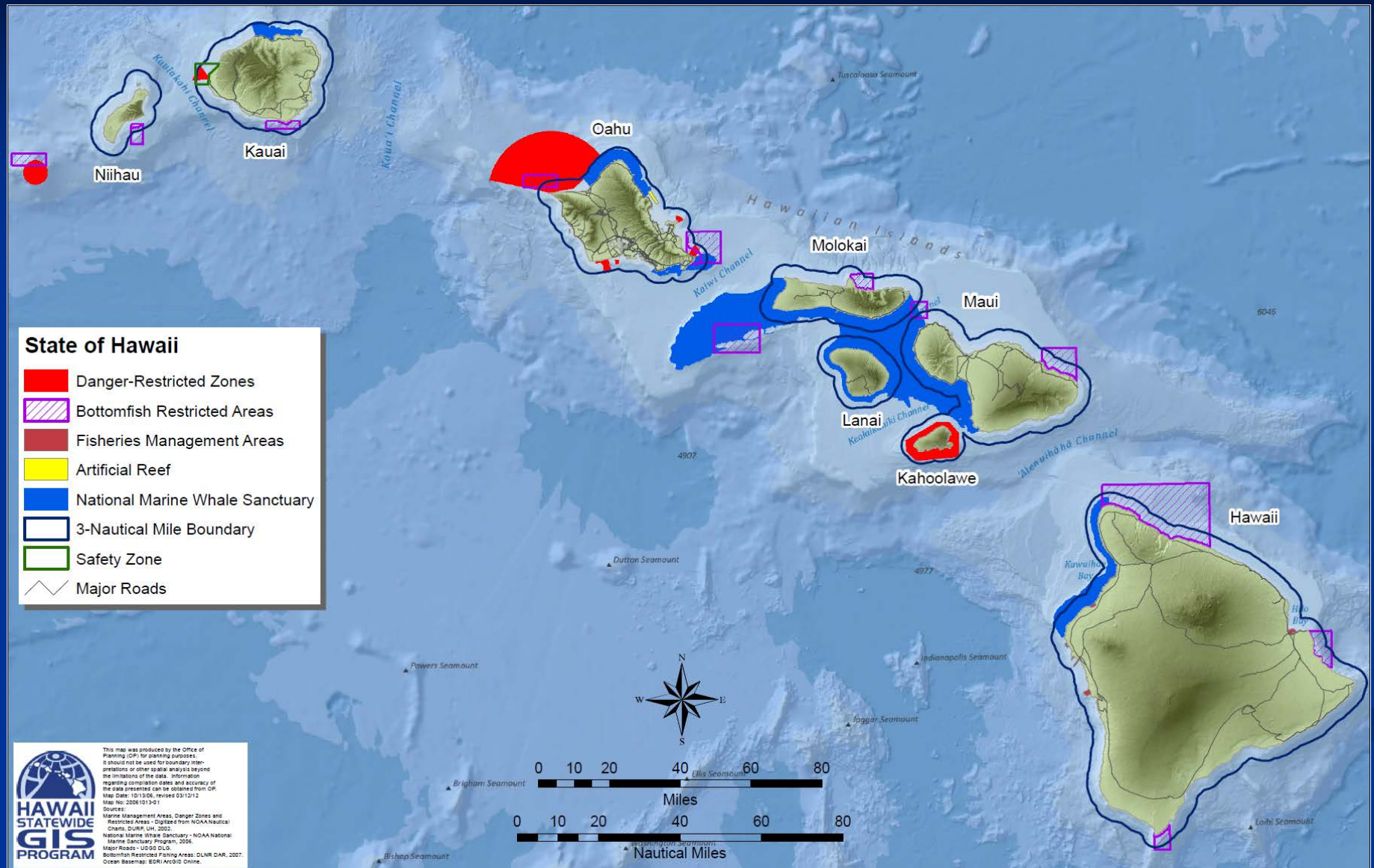
■ Eligible lessees:

1. Federal agencies
2. State agencies
3. Universities (having legal standing of state agency)

WHAT AREAS ARE OPEN & CLOSED TO OCS LEASING?

- Federal submerged lands located 3-200 nm offshore the coastal states are open to leasing consideration.
- OCS leases can not be issued within any unit of the National Park System, National Wildlife System, National Marine Sanctuary System or National Monument.
- OCS research leases will not be issued in areas where it could interfere with potential commercial renewable energy activities.

STATE OF HAWAII OFFSHORE



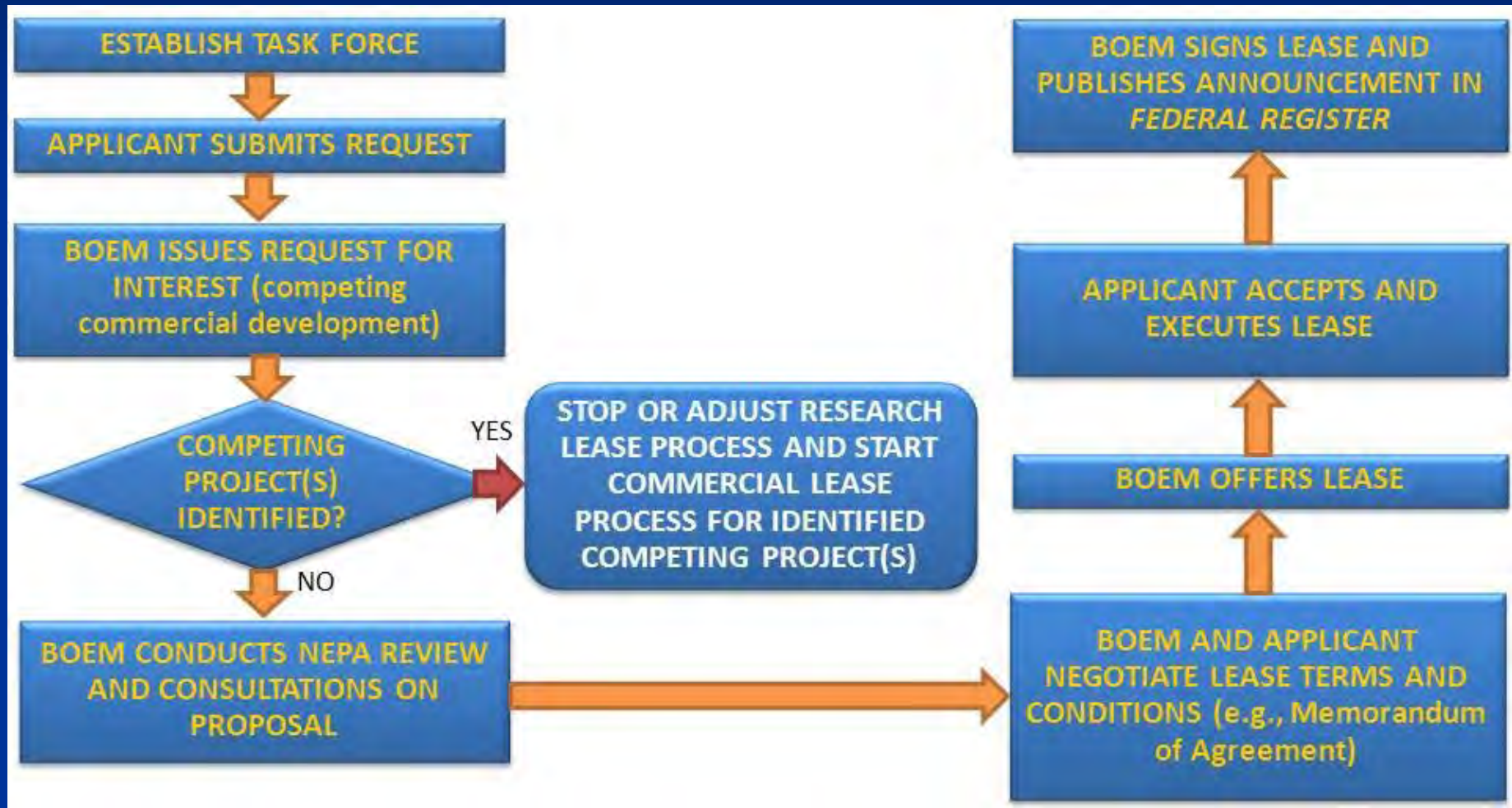
LEASE APPLICATION

30 CFR 585.230

- Area identification
- General description activities
- General schedule
- Pertinent data and information (resources & environmental conditions)
- Statement proposed activity conforms with State & local energy planning requirements
- Documentation demonstrating technical and financial qualifications.

OCS RESEARCH LEASE PROCESS

Case 1: Wind



OCS RESEARCH LEASE PROCESS

Case 2: Marine Hydrokinetic



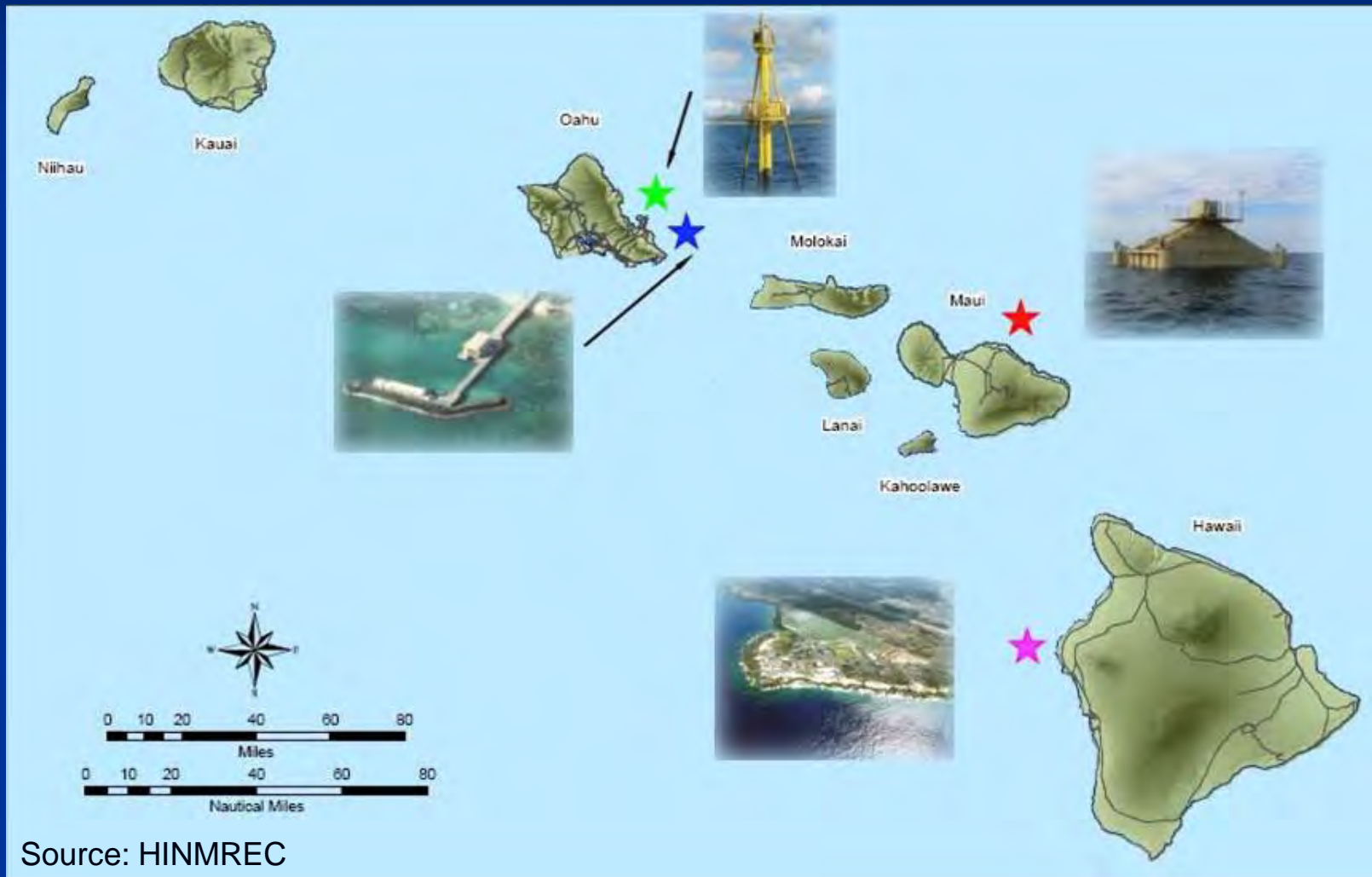
* If FERC decides to issue a pilot license, the BOEM may consider issuing a research lease

EXPRESSIONS OF INTEREST IN OCS RESEARCH LEASES

- University of Hawaii, Hawaii Undersea Research Laboratory, School of Ocean and Earth Science and Technology
- Natural Energy Laboratory of Hawaii Authority

HAWAII TEST SITES

HINMREC



MAKAI PIER TEST SITE



NATURAL ENERGY LABORATORY OF HAWAII

NELHA TODAY
(352 Hectares / 870 Acres)

**42 Commercial & Research
Tenants**



2940 Acre Ocean Waters and Submerged Lands Lease

The map illustrates the proposed ocean use corridor for the NELHA (National Undersea and Marine Laboratory Hawaii) facility. The corridor is defined by dashed lines with dimensions of approximately 14,000' by 11,600'. Two intake pipes are shown: a 40-inch NELHA Intake Pipe and an 18-inch NELHA Intake Pipe. The map also shows the Keahole Airport, Host Park, and the Queen Ka'ahumanu Highway. Bathymetric lines are marked at 60, 100, 180, 300, and 600 feet. The map is titled '2940 Acre Ocean Waters and Submerged Lands Lease'.

QUESTIONS?

John B. Smith

Coordinator

Hawaii OCS Renewable Energy Task Force

Bureau of Ocean Energy Management

805-389-7833

john.smith@boem.gov