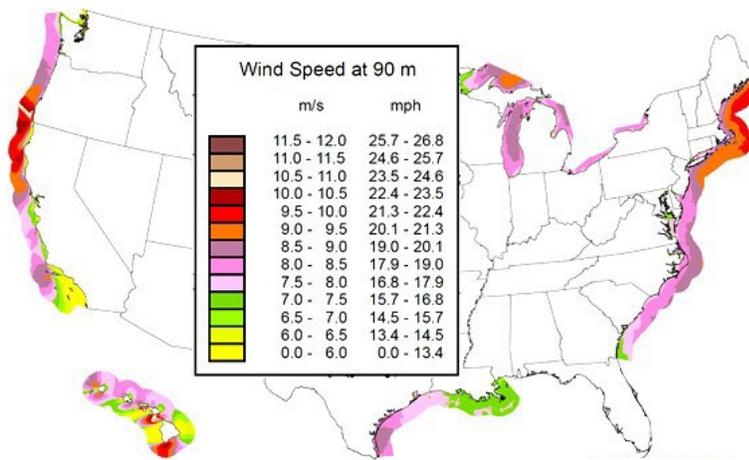


Renewable Energy on the Outer Continental Shelf

In 2009, President Barack Obama and Secretary of the Interior Ken Salazar announced the final regulations for the Outer Continental Shelf (OCS) Renewable Energy Program, which was authorized by the Energy Policy Act of 2005 (EPAAct). These regulations provide a framework for issuing leases, easements and rights-of-way for OCS activities that support production and transmission of energy from sources other than oil and natural gas. The Bureau of Ocean Energy Management (BOEM) anticipates development of renewable energy on the OCS from three general sources:

1. Offshore Wind Energy

Offshore wind turbines have been installed off a number of countries to harness the energy of the moving air over the oceans and convert it to electricity. Offshore winds tend to flow at higher sustained speeds than onshore winds, making turbines more efficient. The Obama Administration’s Goals for Offshore Renewable Energy call for achieving 10 gigawatts of wind capacity in the OCS and Great Lakes by 2020 (offshore wind development in the Great Lakes is not regulated by BOEM). Offshore wind in the United States could produce over 4,000 gigawatts of energy, or four times the nation’s current total energy generation capacity. Atlantic winds alone could produce an estimated 1,000 gigawatts of energy. To date, BOEM has issued two commercial wind energy leases on the OCS – for potential projects located offshore Massachusetts (described below) and Delaware.



Source: National Renewable Energy Laboratory

First Commercial Lease Signed

BOEM’s first commercial wind lease was signed in 2010 by Secretary Salazar and Cape Wind Associates for a project in federal waters offshore Massachusetts.

The Cape Wind Energy project would be the first wind farm on the OCS, potentially generating enough power to meet 75 percent of the electricity demand for Cape Cod, Martha’s Vineyard and Nantucket Island combined.

A thorough environmental assessment was conducted, and the Construction and Operation Plan, which details additional terms and conditions to be followed, was approved in April 2011.

2. Ocean Wave Energy (Hydrokinetic)

There is tremendous energy in ocean waves. Wave power devices extract energy directly from the surface motion of ocean waves. A variety of technologies have been proposed to capture that energy, and some of the more promising designs are undergoing demonstration testing. The Northwestern coast of the United States has especially high potential for wave energy development and is one of only a few areas in the world with abundant, available wave power resources.

3. Ocean Current Energy (Hydrokinetic)

Ocean currents contain an enormous amount of energy that can be captured and converted to a usable form. Some of the ocean currents on the OCS are the Gulf Stream, Florida Straits Current, and California Current. While technology is still at an early stage of development, it is likely that submerged water turbines similar to wind turbines would be employed to extract energy from ocean currents. BOEM is currently considering a proposal to test technology that would use the Florida Current to generate electricity.

The Process

In November 2010, Secretary Salazar launched the “Smart from the Start” wind energy initiative to expedite the responsible development of wind energy projects off the Atlantic coast. In coordination with the relevant states, BOEM has identified six Wind Energy Areas (WEAs) offshore the Atlantic coast that appear suitable for wind energy development, and will continue to take steps to make the leasing and plan approval process for projects more efficient. The “Smart from the Start” initiative is integrated fully with President Obama’s Executive Order on coastal and marine spatial planning efforts.

BOEM has established Intergovernmental Task Forces within 12 states to facilitate government decision-making on OCS renewable energy planning, leasing and development activities. These Task Forces consist of relevant federal agencies and affected tribal, state and local government officials. The bureau is working to identify additional WEAs and to offer additional offshore wind leases. Additionally, BOEM is developing survey guidelines for developers and partnering with states to fund larger scale, data collection efforts in WEAs.



As required by EPCRA, BOEM will issue leases on a competitive basis unless it determines that no competitive interest exists. BOEM has determined that there is competitive interest in holding a commercial wind lease in a number of OCS locations, and is expecting to hold the first renewable energy auction for commercial wind leases sales in 2013.

Multiple federal agencies have responsibilities for the regulation and development of offshore renewable energy. BOEM issues leases and grants for both OCS wind and hydrokinetic projects. BOEM also permits the construction and operation of wind facilities, while the Federal Energy Regulatory Commission issues licenses the construction and operation of hydrokinetic facilities on BOEM-issued hydrokinetic leases.

BOEM and the Department of Energy (DOE) signed a Memorandum of Understanding to address numerous offshore renewable energy issues of mutual interest. DOI and DOE issued the first interagency plan on offshore wind energy, demonstrating a strong federal commitment to expeditiously develop a sustainable, world-class offshore wind industry in a way that reduces conflict with other ocean uses and protects resources.

In addition to issuing leases, BOEM also has the authority to issue Right-of-Way (ROW) grants for offshore transmission lines linking OCS renewable energy installations to facilitate efficient connectivity to the onshore electrical grid. BOEM is processing one ROW grant request for a proposed transmission line on the OCS running from Virginia to New York, and another from Block Island over a portion of the OCS to mainland Rhode Island. The bureau expects other ROW grant requests off Hawaii and elsewhere.

As required by EPCRA, BOEM has established payments to ensure fair return to the U.S. Treasury for the rights conveyed by OCS renewable energy leases, easements and ROWs. All lessees and grantees must pay rent, and lessees must pay an operating fee in lieu of rent when commercial electrical generation commences. The operating fee is based on the installed capacity of the wind turbine generators.

For more information, please visit: <http://www.boem.gov/Renewable-Energy-Program/index.aspx>