United States Department of the Interior
OFFICE OF THE SECRETARY
Washington, DC 20240

JAN 26 2024

The Honorable Pete Stauber
Chairman, House Natural Resources
Subcommittee on Energy and Mineral Resources
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Stauber:

Enclosed are responses prepared by the Department of the Interior to questions for the record submitted to Bureau of Ocean Energy Management Director Elizabeth Klein following her appearance at the April 26, 2023, oversight hearing entitled *Examining the President's Fiscal Year 2024 Budget Request for the Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, and the U.S. Geological Survey*. We apologize for the delay in our response.

Thank you for the opportunity to respond to you on this matter.

Sincerely,

Christopher P. Salotti
Legislative Counsel
Office of Congressional and
Legislative Affairs

Enclosure
cc: The Honorable Alexandria Ocasio-Cortez
Ranking Member

Questions for the Record
Subcommittee on Energy and Mineral Resources
House Natural Resources Committee
Oversight Hearing on BOEM FY24 Budget
April 26, 2023

<u>Questions from Chairman Westerman</u>

Question 1: Can you provide a detailed timeline of BOEM's plans to publish a final 5-year OCS plan, including environmental reviews?

Response: On December 15, 2023, the Department of the Interior published the final 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program (Program). The Program schedules three oil and gas lease sales in the Gulf of Mexico Program Area in 2025, 2027, and 2029.

Question 2: What steps is the agency taking to schedule Gulf of Mexico lease sales in 2024 and 2025 to meet the nation's energy needs?

a. **How would a one year or two-year delay in investing in the offshore industry affect ancillary industries such as maritime transport and offshore support services, cyber security, oil-spill prevention, and has the potential impact of such delays been assessed?**

Response: This past December, the Secretary of the Interior approved the 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program, which had been published as the Proposed Final Program on September 29, 2023. The new National OCS Program includes three potential OCS oil and gas lease sales in the Gulf of Mexico (GOM) Program Area, scheduled for 2025, 2027, and 2029. The size, timing, and location of these three potential lease sales were chosen because they have the greatest resource potential and net benefits with the least potentially significant impacts and costs to society. The Secretary believes that this proposed schedule will best meet national energy needs for the next five years under existing laws and policies.

Last October, BOEM published a Call for Information and Nominations in the Federal Register for the potential GOM oil and gas lease sales included in the 2024–2029 National OCS Program. Simultaneously, BOEM also published a Notice of Intent to prepare a programmatic environmental impact statement to analyze the potential impacts of a representative lease sale in the GOM during the 2024–2029 National OCS Program, as well as ongoing and potential associated site- and activity-specific oil- and gas-related approvals.

Collectively, these actions will allow BOEM to implement the new National OCS Program.

BOEM continues to make offshore oil and gas resources available. As of December 1, 2023—prior to Lease Sale 261—there were a total of 12.1 million acres of the OCS under lease, with more than 9.2 million acres of that acreage (76 percent) belonging to non-producing leases.

BOEM has held 11 lease sales since the start of the 2017-2022 Program, generating approximately $1.8 billion in bonus bids. As directed by the Inflation Reduction Act, BOEM worked expeditiously to hold Lease Sales 258, 259, and 261. BOEM held Cook Inlet Lease Sale 258 on December 30, 2022, resulting in one bid of $63,983 and the issuance of one lease. BOEM held Gulf of Mexico Lease Sale 259 on March 29, 2023, which generated $263.8 million in high bids for 313 tracts and resulted in issuance of 295 leases covering 1.57 million acres. On December 20, 2023, BOEM held Gulf of Mexico Lease Sale 261, which generated $382,168,507 in high bids for 311 tracts covering 1.7 million acres. BOEM is currently evaluating bids received from Lease Sale 261 and anticipates issuing leases in the coming months.

Question 3: In recent notices regarding the IRA-mandated Gulf of Mexico lease sales, BOEM has reduced the areas that are being offered for lease, resulting in nearly 10 million fewer acres being offered for lease. Much of this area was previously issued for lease with certain stipulations aimed at preserving the OCS as a multiple-use resource.

a. Why did BOEM remove acreage previously offered with mitigation measures?

Response: As described in the record of decision for Lease Sale 259, the Department removed certain areas from leasing consideration because of sensitive benthic habitat, visual resource concerns, and the need to minimize conflicts with other uses of the OCS. The removal of these areas from oil and gas leasing will help reduce identified space-use conflicts and assist in balancing competing interests on the OCS.

b. Do you believe that the OCS should remain a multiple-use resource?

Response: BOEM supports multiple uses of the OCS and will continue to manage OCS energy and mineral resources to maintain environmental sustainability, economic development, and national security.

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Question 4: The National Marine Fisheries Service (NMFS) requires a Letter of Authorization to perform offshore geological and geophysical testing. Due to errors made in the preparation of the final rule and NMFS' overly conservative modeling, companies cannot currently obtain these permits.

a. **Has BOEM cooperated with NMFS in resolving problems with Letters of Authorization for offshore geological and geophysical testing?**

Response: The National Marine Fisheries Service (NMFS) is currently in the rulemaking process for "Taking and Importing Marine Mammals; Taking Marine Mammals Incidental to Geophysical Surveys in the Gulf of Mexico." BOEM has worked with NMFS to inform the proposed rule and will continue to work with NMFS on this important topic.

Question 5: Has BOEM contacted EPA regarding the need for new discharge permits for offshore operations?

a. **Do you know when EPA plans to issue the new permit, and if not, can you inquire and provide that information to the committee?**

Response: BOEM provided feedback to the U.S. Environmental Protection Agency (EPA) on proposed National Pollutant Discharge Elimination System (NPDES) permits. We recommend reaching out to EPA for additional details on timing.

Question 6: Can you provide the exact amount of decommissioning liabilities the U.S. taxpayer has acquired in the 60+ year history of offshore oil and gas development? Can you provide this information to the Committee?

Response: The estimated decommissioning cost for current orphan well and infrastructure inventory on the OCS is approximately $73 Million. There is an estimated $25 Million available for decommissioning activities, which includes approximately $15 Million BOEM has collected in forfeited bonds and BSEE's $6 Million in appropriated funds and $4 Million in Bipartisan Infrastructure Law funding. BSEE's FY24 budget request includes $30 Million to address this funding shortfall.

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Questions from Rep. Chris Smith

Question 1: Two weeks ago, BOEM, NOAA Fisheries, and the Responsible Offshore Development Alliance issued a report that claims, "Physical changes associated with (offshore wind) developments will affect the marine environment—and, subsequently, the species that live there — to varying degrees. These include construction and operation noise and vibration, electromagnetic fields, and thermal radiation from cables, as well as secondary gear entanglement." This statement seems to conflict with other statements of BOEM and the Biden Administration used to dismiss claims that offshore wind industrialization may be contributing to marine mammal deaths by interfering with their hearing. Given that no project of such magnitude has ever been constructed on the US East Coast as those off the coast of New Jersey, how can BOEM be sure of the practical effect of 3,400 wind turbines on the marine environment?

Response: BOEM conducts thorough environmental reviews of all activities associated with offshore wind development and consults with expert agencies on the potential impacts to the marine environment, including protected species such as whales.

Scientific evidence does not support speculation linking the recent whale mortalities to offshore wind survey activities. The National Oceanic and Atmospheric Administration (NOAA) is carefully studying and monitoring an unusual mortality event for humpback whales along the Atlantic Coast that began in 2016, before offshore wind related activities began off the coast of New Jersey. BOEM and the U.S. Geological Survey, in concert with independent scientists, published a 2022 peer-reviewed journal paper on the impacts of high-resolution geophysical surveys on marine mammals, which is based on years of field work and modeling. There is a short video describing the results of this scientific review as well as a recent podcast on which the Director of BOEM's Center for Marine Acoustics was a guest. The paper supports statements from BOEM, NOAA, the Marine Mammal Commission, Natural Resources Defense Council, and many academics that these surveys are not likely to harm whales or other endangered species.

BOEM and NOAA Fisheries have in place proactive measures such as protected species observers and avoidance and acoustic shutdown distances for these survey activities. Additionally, BOEM, in consultation with NOAA Fisheries, has developed robust mitigation measures for offshore wind related activities. These protective measures include:

- Vessel strike avoidance measures;
- Time of year restrictions on some construction activity;

- The use of noise abatement measures; and
- Robust visual and passive acoustic monitoring.

Question 2: In terms of offshore wind development and fisheries, it has often appeared that BOEM and NOAA Fisheries are not effectively working together. How can BOEM improve its coordination with NOAA fisheries, commercial and recreational fishing communities, and regional councils? I'm specifically curious about where BOEM can require OSW developers to share data with fisheries managers and scientists and multi factor bidding which potentially can encourage restoration and research efforts.

Response: BOEM works closely with our Federal partners, including NOAA Fisheries, throughout the offshore renewable energy leasing and development process. NOAA Fisheries is a cooperating agency on BOEM's environmental reviews and helps develop terms and conditions of any potential project approvals. In January 2022, BOEM and NOAA signed an interagency memorandum to support the administration's offshore wind energy goals while protecting biodiversity and promoting cooperative ocean use. The two agencies also co-developed mitigation guidance for NOAA's fisheries surveys and are working together to finalize a strategy for North Atlantic right whale protection and recovery. BOEM meets regularly with regional fisheries management councils and conducts outreach to fishing communities to gather information and feedback throughout its offshore wind regulatory process. Further, on April 13, 2023, BOEM and the National Academies of Sciences, Engineering, and Medicine held the inaugural meeting of the Standing Committee on Offshore Wind Energy and Fisheries. The committee will provide ongoing assistance to BOEM in its efforts to engage fishing communities and exchange information on key topics associated with offshore wind and fisheries.

Public disclosure of lessees' project data is governed by BOEM's regulations at 30 CFR 585.114. Disclosures under this requirement are limited by BOEM's responsibility to protect confidential business information that could cause harm to the lessee if disclosed.

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Questions from Rep. Mullin

Question 1: My understanding is that BOEM is working to ensure that the local coastal and inland communities near the Morro Bay Wind Energy Project are being engaged to minimize economic and cultural disruptions. The Santa Ynez Band of Chumash Indians has found that there will be no adverse effects for the Morro Bay Wind Energy Area under Section 106 of the National Historic Preservation Act. This finding is based on additional BOEM work to protect sacred and other cultural resources in the area. Please share what the Bureau has done thus far to mitigate the impacts on indigenous cultural sites and what additional funding is still needed to ensure that the Traditional Cultural Landscape will be fully funded.

Response: BOEM consulted under section 106 of the National Historic Preservation Act with the Santa Ynez Band of Chumash Indians (SYBCI) on proposed wind energy leasing near Morro Bay, including potential impacts from anticipated site characterization surveys that would follow leasing. The SYBCI found that leasing would have no adverse effects on historic properties. Further section 106 consultation would occur prior to BOEM's decision whether to approve any lessee's construction and operations plan.

During early conversations with SYBCI, BOEM learned that Morro Rock is an important cultural resource requiring further research and consultation. Accordingly, BOEM and SYBCI are entering into a cooperative agreement to produce a nomination for Morro Rock and surrounding areas to the National Register of Historic Places as a Traditional Cultural Place. With BOEM funding, this agreement will help build capacity for SYBCI to document their most significant cultural sites and strengthen the SYBCI-BOEM relationship.