Environmental Studies Program: Studies Development Plan | FY 2024–2025

Field	Study Information
Title	Socio-Cultural and Economic Impacts of Changing Energy Trends
Administered by	Office of Environmental Programs
BOEM Contact(s)	Laura Mansfield (laura.mansfield@boem.gov), Kristen Strellec (kristen.strellec@boem.gov), Doleswar Bhandari (doleswar.bhandari@boem.gov)
Procurement Type(s)	Contract
Performance Period	FY 2024–2027
Final Report Due	TBD
Date Revised	May 15, 2023
Problem	BOEM has limited information about the socio-cultural and economic impacts of a large shift away from oil and gas leasing activities. BOEM's current methods of analysis are not systematic or human-centered and have limited capability to assess impacts that cannot be reliably quantified or estimated.
Intervention	Develop economic scenarios, focused on employment patterns, and conduct a social impact assessment (SIA) specifically considering changing energy trends and the impacts of reduced or no oil and gas leasing on social systems including economics and cultural considerations.
Comparison	Without this study, BOEM has a reduced capacity to fully analyze changing energy trends and the impacts of future leasing decisions on the human environment.
Outcome	Improve socio-cultural and economic considerations in the no action alternative analysis for the National Program Environmental Impact Statement. This improved analysis would provide stronger science and knowledge-based rationale behind decisions about whether, when, or how many oil and gas lease sales to hold given current energy needs and socio-cultural implications.
Context	Gulf of Mexico OCS Region

BOEM Information Need(s): Changing trends in energy are likely to have transformative impacts on society. A reduction in Outer Continental Shelf (OCS) oil and gas leasing is likely given ambitious goals to increase offshore wind activities and advance a transition to an equitable clean energy future. BOEM has limited information about the socio-cultural and economic implications of these changing energy trends and the impacts of reducing leasing or decisions not to lease OCS areas for oil and gas development.

This study will look at multiple energy outlooks that capture both industry trends and policy changes to develop potential economic scenarios, especially considering employment patterns, related to declining levels of oil and gas activity over time. These employment scenarios will serve as informational input for a social impact assessment (SIA) of a reduction of oil and gas activities. This information could improve the human dimensions discussion of the "no action" alternative in NEPA documents. This study would focus on understanding the impacts of no new oil and gas leasing and would not provide a

comprehensive analysis on potential impacts of substitute energy activities. The study will describe how the energy transition would look and document the impacts of no new leasing as the energy sector changes. For example, the study will describe which job skills may be transferrable and analyze the difference in social impact should an employee lose their job or transition their job skills to a different job as a result of no new leasing. This study would enable BOEM to look more deeply at the socio-cultural and economic impacts of changing energy trends and better understand the implications of key decisions during the energy transition.

Background: The No Action Alternative in the current Draft Programmatic Environmental Impact Statement (PEIS) for the 2023–2028 National OCS Oil and Gas Program states there would be no new oil and gas development or associated impacts from the 2023–2028 Program, but there could be impacts from energy substitutions. The PEIS further summarizes potential impacts: "employment, income, and related revenues will be impacted in the Western and Central GOM Planning Areas if no new leasing were to occur, given the longstanding history and well-established oil and gas industries and economies that have developed there. Any explicit economic benefits associated with OCS activities in the other regions may also be forgone. Impacts from energy substitutions due to increased tankering of imported oil may occur in the Pacific, GOM, and Atlantic Regions. There may be the potential for cross-boundary effects related to oil tankering, especially if oil spills occur. Limited impacts are expected in the Alaska Region." The resource-level analysis associated with the No Action Alternative generally describes very high-level impacts to the human environment of no new leasing or does not discuss impacts of no new leasing and describes solely impacts associated with substitution. For example, the cultural section broadly describes a change in personal or community identity. The analysis focuses on employment, income, and revenues, and mentions high-level potential impacts such as disruption, losses, and change. As the energy transition accelerates, a better understanding of a changing economic baseline is necessary. Additionally, more systematic methods of analysis and the production of a more nuanced understanding of socio-cultural and economic considerations of a large shift away from oil and gas leasing will become more important for decision-making and public engagement. A human-centered methodological design is needed to provide this level of nuance for socio-cultural impacts.

This study would use existing in-house models and analyses as a starting point and ensure integration of any new approaches with existing guidance and needs. For example, any economics related analyses will use or build from BOEM's economic approaches including Cumulative Impact Model (CIM) and Lifecycle Cumulative Impact Model (LCIM) for potential employment changes associated with different scenarios. This study would provide additional non-monetized social and cultural considerations to discuss in the context of overall costs and benefits of leasing decisions, both quantifiable and non-quantifiable.

This study will rely on a large body of literature associated with the SIA field to inform methodological choices. In the United States, we typically use NEPA approaches to cover social impacts. However, in the field of SIA, especially in the international development context, there are more comprehensive human-centered approaches to evaluating decisions that are not always possible within the constraints of NEPA. SIAs are sometimes described as applied anthropology and require team approaches that require experts from various sub-fields of social science and often varied methodological approaches depending on the reason for conducting the SIA. The International Association for Impact Assessment regularly updates a list of key citations for books and journal articles in the SIA field. The "International Principles for Social Impact Assessment" is often cited as the leading guide on implementing SIAs (Vanclay, 2003).

Objectives:

- Characterize the changing economic baseline associated with the energy transition.

- Describe the social, economic, and cultural impacts of reduced oil and gas activity resulting from reduced lease sales or no sale decisions.
- Provide stronger science- or knowledge-based rationale concerning the human environment to decision-makers as they consider whether, how often, and how many lease sales to hold.
- Ensure BOEM is more informed about potential socio-cultural and economic impacts to more meaningfully engage with potentially affected populations.

Methods: The first part of the study will develop potential economic scenarios based on declining levels of oil and gas activity over time. The scenario development will rely on multiple energy outlooks that capture both industry trends and policy changes. Economic scenarios will be developed with input from BOEM economists and will provide a picture, especially focused on employment patterns, of what the economy could look like given changing energy trends.

The second part of the study would be based on existing best practices to conduct a Social Impact Assessment. A first step would be to conduct a literature review of SIA practices, especially focusing on approaches best suited for offshore considerations. This would inform the development of a SIA methodological framework that best sets the study up for understanding potential impacts of a no new oil and gas leasing context.

The literature review and framework development process will determine the methods chosen to best collect information that will form the basis of analysis concerning potential socio-cultural and economic impacts of no new leasing. Specific social categories included in the study will be determined through the SIA framework development. Categories may include those BOEM typically analyzes such as land use, recreation and tourism, and economics; and it may go beyond or more in depth into specific categories to develop the most comprehensive SIA possible with information that could serve both the No Action Alternative for the National OCS Oil and Gas Program and objectives outlined above.

Common elements of an SIA that would be part of the framework include: (1) identification of interested and affected groups; (2) documentation of the setting and context including the understanding of values and perceptions; (3) identification of social categories of relevance and associated indicators and data sources; (4) collection of baseline data; (5) stakeholder engagement to understand concerns of different groups, including contribution to the skills and capacity of communities to engage; and (6) impact identification, including perception of impacts.

Specific Research Question(s):

1. What are the social, cultural, and economic impacts of no new OCS oil and gas leasing?
2. Which areas and populations would be most impacted by no new OCS oil and gas leasing?
3. Are there any important socio-cultural or economic distinctions with different levels impacts at different levels of leasing activity?
4. Are there any impacts that would occur at higher levels in environmental justice populations or underserved communities?

Current Status: N/A

Publications Completed: N/A

Affiliated WWW Sites: N/A

References:

Vanclay F. 2003. International principles for social impact assessment. Impact Assessment and Project Appraisal 21(1):5–11.

International Association for Impact Assessment (2014). Social Impact Assessment Key Citations. https://www.iaia.org/pdf/Key%20Citations_SIA%2014%20Apr.pdf.