

**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).

Introduction

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 – while managing 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, potentially impacted communities, ocean users, and other key stakeholders to ensure that offshore energy development is done responsibly and informed by the best available science and Indigenous knowledge. These partnerships are invaluable assets in our mission to create a cleaner, more sustainable energy future for our nation.

FY 2025 Budget Request

The FY 2025 President’s Budget requests \$242 million in total budget authority (\$183 million in net current discretionary appropriations and \$59 million in offsetting collections) to support the Bureau’s commitment to overseeing the nation’s offshore energy, mineral, and geological resources through proper environmental and economic stewardship.

BOEM’s FY 2025 budget request advances the Administration’s priorities in the following areas:

- Facilitating the transition to a clean energy economy;
- Supporting underserved and disproportionately affected communities; and
- Strengthening Tribal sovereignty and self-determination.

These strategic investments support the American people and aim to establish a foundation for sustained growth and prosperity for future generations.

Facilitating the Transition to a Clean Energy Economy

The FY 2025 Budget includes \$52 million for BOEM’s Renewable Energy Program to further advance the development of renewable energy projects in Federal waters.

The Biden-Harris Administration has set ambitious goals to harness the significant offshore wind resources in the U.S. and combat the existential threat of climate change: the deployment of 30 gigawatts of offshore wind energy capacity by 2030 and 15 gigawatts of floating offshore wind energy capacity by 2035. BOEM is making considerable progress towards achieving these objectives.

Throughout the offshore wind planning process, BOEM works with Tribes, other government agencies, ocean users, academia, and stakeholders to identify areas on the U.S. OCS that appear most suitable for commercial offshore wind development, while having the fewest apparent environmental and user conflicts.

We are taking a thoughtful, all-of-government approach on issues like efficient permitting and Tribal engagement to build a robust offshore wind industry that benefits communities and co-exists with other ocean uses. This includes working collaboratively with our government partners and others to ensure that any future offshore energy development is done safely and responsibly and relies on the best available science and Indigenous knowledge. For example, BOEM is collaborating with NOAA's National Centers for Coastal Ocean Science to engage our vast, diverse set of stakeholders and employ a comprehensive spatial model that analyzes entire marine ecosystems to identify the most suitable areas for wind energy development.

The Department recently announced that BOEM and the Bureau of Safety and Environmental Enforcement (BSEE) have finalized updated regulations for renewable energy development on the OCS (*Renewable Energy Modernization Rule*). The final rule will promote offshore wind deployment while reducing costs for developers by increasing certainty, modernizing regulations, streamlining overly complex processes and removing unnecessary ones, clarifying ambiguous regulatory provisions, and enhancing compliance requirements.

BOEM has done extensive work to improve our processes for reviewing offshore wind projects. In order to increase transparency and consistency, we released guidance in August 2023 to outline BOEM's criteria for when to initiate the environmental review of offshore wind project plans. The guidance establishes a pre-application process to improve engagement with cooperating agencies and Federally recognized Tribes. This guidance was developed with input from our government partners, the regulated community, and interested stakeholders.

Our efforts are working. Under this Administration, the Bureau has approved eight commercial offshore wind projects – up from zero when President Biden took office. These projects have the potential to generate over 10 GW of clean energy, enough to power nearly 4 million homes. Additional projects are undergoing review and benefiting from the hard work this Administration has done to streamline reviews and maximize interagency collaboration; we currently have five more project plans under environmental review, and we expect additional plans in the coming year.

Two projects, Vineyard Wind and South Fork, are already in operation and sending power to the grid. A new construction season is underway and will continue through the summer, during which more offshore wind projects will come online.

This Administration is also supporting additional future projects through a steady pipeline of

lease sales. Since January 2021, BOEM has held four offshore wind lease auctions: a record-breaking lease sale offshore New York – New Jersey, offshore the Carolinas, and the first-ever sales offshore California and in the Gulf of Mexico. Together, these auctions generated over \$5 billion in high bids.

Looking towards the future, last month Secretary Haaland announced a new five-year offshore wind lease schedule, which includes up to 12 potential offshore wind energy lease sales through 2029. We anticipate holding lease sales offshore the Central Atlantic, Oregon, and in the Gulf of Maine and the Gulf of Mexico later this year, and the schedule outlines our priority focus areas in the years to come.

In response to the rapid growth in demand for offshore wind along the Atlantic coast and the associated need to bring additional focus and presence to BOEM's work on this priority issue, BOEM proposes to establish an Atlantic Regional Office by realigning its existing Atlantic-related energy and minerals functions and reassigning staff from headquarters and other BOEM regional offices. Creation of the Office will address the increase in requests for engagement with local communities along the Atlantic by providing additional opportunities for access to and collaboration with BOEM. Supporting Administration renewable energy goals requires dedicated, regionally focused management and staff that can develop integrated strategies for dealing with issues throughout the Atlantic region, build lasting relationships with regional partners, and provide senior-level access to States, Tribes, communities, and stakeholders.

To continue this momentum, the offshore wind energy industry will also need a well-trained workforce and a diverse, comprehensive supply chain throughout the various stages of facility planning, construction, and operation.

BOEM is doing our part in this effort and has taken steps to encourage union-built projects and support the development of a domestic supply chain. BOEM is finding opportunities to incentivize the domestic sourcing of major components, such as blades, turbines, and foundations; develop a highly skilled and well-trained domestic workforce; and develop lease stipulations that strongly encourage Project Labor Agreements (PLAs) for project construction. PLAs help ensure a safe and well-trained workforce for the construction and operations of offshore facilities.

The Carolina Long Bay, California, and Gulf of Mexico lease sales included a 20 percent credit for bidders that agreed to contribute to programs or initiatives that support offshore wind workforce training programs or development of a U.S. offshore wind domestic supply chain. These bidding credits generated approximately \$160 million in future investments for these critical programs and initiatives.

Thanks to strong state and industry partnerships, multiple domestic supply chain projects are already underway, including: a first-of-its-kind wind energy port in New Jersey; the first subsea cable manufacturing facility in South Carolina; and a Jones Act-compliant offshore wind installation vessel being constructed in Texas that is using more than 14,000 tons of domestic steel, sourced mostly from Alabama, West Virginia, and North Carolina. On September 21, 2023, nine East Coast States and four Federal agencies signed the Federal-State Memorandum of

Agreement on East Coast Offshore Wind Supply Chain Collaboration, to strengthen regional collaboration on offshore wind supply chain development.

Combined with state initiatives, these efforts promote investment in the domestic supply chain and delivery of benefits and opportunities to underserved, disadvantaged, and overburdened communities. These efforts will also catalyze the offshore wind industry domestically and create certainty for stakeholders, industry, and ocean users alike.

As a champion of the Biden-Harris Administration's all-of-government approach, BOEM will continue to partner with the multiple levels of government, Tribal Nations, and governors of U.S. Territories to expand responsible offshore wind energy development.

Conventional Energy

The FY 2025 Budget also includes \$67 million for BOEM's Conventional Energy Program. BOEM's obligations include administering existing leases, permitting geological and geophysical surveys, reviewing exploration and development plans, evaluating resources, and developing and implementing a National OCS Oil and Gas Leasing Program. In meeting these obligations, BOEM supports energy security, environmental protection, and economic development through providing fair market value for the American taxpayer, mitigating adverse environmental impacts, and maintaining adequate financial assurance by leaseholders. As of May 1, 2024, BOEM is managing 2,410 active oil and gas leases on over 13 million acres of the OCS. Approximately 78% of these leases are not yet in production.

As conventional energy sources continue to play an important role in our economy, the OCS Lands Act requires BOEM to prepare and periodically revise an oil and gas leasing program that includes a proposed schedule of oil and gas lease sales for the five-year period following approval or reapproval of the program.

In December 2023, Secretary Haaland approved the final 2024-2029 National OCS Oil and Gas Leasing Program. The Program schedules three oil and gas lease sales in the Gulf of Mexico Program Area; one each in 2025, 2027, and 2029. The proposed lease sale schedule will meet national energy needs for the next five years and balance the potential for environmental damage, the discovery of oil and gas, and adverse impacts on the coastal zone. The FY 2025 Budget request will ensure the continued effective implementation of the 2024-2029 National OCS Oil and Gas Leasing Program and BOEM's continued ability to provide accurate and accessible geologic and geophysical data in support of U.S. offshore energy development, economic security, and environmental interests.

In addition, in April 2024, the Department announced the final Risk Management and Financial Assurance for OCS Lease and Grant Obligations rule to protect taxpayers from covering costs that should be borne by the oil and gas industry when offshore platforms require decommissioning. This rule, which updated 20-year-old regulations, substantially strengthens financial assurance requirements for the offshore oil and gas industry operating on the OCS.

Resiliency and Restoration

The FY 2025 Budget includes \$15 million to continue advancing marine mineral activities that contribute toward the Administration's goal of increasing climate change resilience through the

application of science to make informed decisions, incorporation of nature-based solutions and other adaptation strategies, and continued development of strong partnerships to ensure our Nation's coasts are sustainably managed, protected, and preserved for current and future generations.

Pursuant to the OCS Lands Act, BOEM is the Federal authority overseeing the use of marine minerals across the billions of acres that make up the OCS. The Bureau may convey, on a noncompetitive basis, the rights to OCS sand and other sediment to Federal, state, and local government agencies for use in shore protection, beach and wetlands restoration projects, or other construction projects funded or authorized by the Federal government.

BOEM's Marine Minerals Program ensures environmentally responsible stewardship and conscientious management of the Nation's OCS solid mineral resources to support resilient coasts, natural disaster preparedness, climate change adaptation, and critical infrastructure development and protection.

In addition, BOEM recognizes that OCS critical minerals may in the future be vital to the advancement of clean energy technology, as well as the Nation's security and economy. BOEM continues to gather information about critical minerals that may be located on the OCS and collect baseline data on the ecological communities and conditions associated with potential critical mineral deposits.

In support of these efforts, BOEM will continue developing and enhancing its National Offshore Sand Inventory, Marine Minerals Information Management System, and National Offshore Critical Minerals Inventory.

Environmental Program

The FY 2025 Budget includes \$87 million for BOEM's environmental program. The program provides a foundation to ensure programmatic decision-making is guided by the best available environmental research and data to inform the public, stakeholders, diverse ocean users, and external decision-makers about the potential impacts of OCS energy and mineral activities. This work enables BOEM to identify risks and mitigation strategies to assist with conservation and protection of environmental and cultural resources.

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 uses the ESP and other research to evaluate the environmental impacts of energy, mineral, and geological development and to develop measures to avoid, minimize, mitigate, and monitor those impacts for incorporation in leases, plans, and permits. These measures are the fabric for regulatory compliance work by BOEM as well as BSEE, and they are developed through National Environmental Policy Act documents and analyses required under other statutes.

BOEM's environmental program also hosts the Center for Marine Acoustics (CMA), a one-of-its-kind center of expertise in government focused on ocean noise and impacts to marine life. Launched in 2020, the CMA provides expertise and leadership to drive best practices, expand research on underwater sound, seek policy improvements, and improve messaging related to ocean noise issues.

Enhancing Tribal Engagement

BOEM is committed to upholding its Tribal trust responsibilities and fostering working relationships based on trust and meaningful consultation. BOEM engages with Tribal Nations at all phases of the renewable energy leasing process to incorporate Indigenous knowledge and Tribal perspectives. This feedback is critical to help inform our decisions.

BOEM wants Tribal communities, ocean users, and stakeholders to have the information they need and an equitable and accessible seat at the table. BOEM's FY 2025 budget request of \$2.6 million supports the hiring of additional personnel to enhance and increase BOEM's ability to maintain open and transparent communication and increase engagement opportunities with Tribal governments and organizations, Alaska Natives and Alaska Native Claims Settlement Act Corporations, Native Hawaiian Organizations, and other Indigenous communities. BOEM's budget request would also support the development of a Center for Tribal Engagement, which would provide funding and additional capacity-building to support Tribal members in more active participation in consultation, coordination, data collection, assessment, and monitoring for renewable activities.

BOEM's approach aims to ensure meaningful involvement through trust, respect, and shared responsibility as part of a deliberative process for effective collaboration and informed decision-making.

Conclusion

Thank you once again for the opportunity to testify. BOEM's proposed FY 2025 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 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.