

Renewable Energy Modernization Rule

Overview

The Department of the Interior, acting through the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE), oversees responsible development of offshore renewable energy resources on the U.S. Outer Continental Shelf (OCS). On April 24, 2024, the Department released its Renewable Energy Modernization Rule to ensure safe and responsible domestic energy production as the nation transitions to a clean energy future.

Benefits of the Final Rule

This final rule is a major modernization of the OCS renewable energy regulations and reflects lessons learned since the regulations were originally promulgated in 2009. Some of the benefits that will result from the updated regulations are highlighted below.

Increased Transparency

- BOEM will share publicly a renewable energy leasing schedule every two years, covering the following five years, to support stakeholders' planning.
- BOEM provides additional clarifications to the auction process and requirements, including a description of how BOEM may use bidding credits.
- BOEM will coordinate and consult with Tribes that may be affected by any leases, easements, or rights-of-way.

Benefits (cont.)

Improved Efficiency/Streamlined Processes

- The final rule improves efficiency by eliminating duplicative regulatory processes.
- Deployment of certain meteorological buoys will no longer require a site assessment plan and related BOEM approval.

Increased Flexibility

- BOEM will allow lessees to submit the final results of geotechnical surveys at a time consistent with submission of Facility Design Reports. This revised approach provides lessees additional flexibility in design of projects.

Improved Project Design and Installation Verification Process

- The certified verification agent (CVA) role has been expanded to include the design and commissioning of Critical Safety Systems Equipment to ensure any BSEE-authorized activities are carried out safely. The reliance on CVAs will provide an independent source of review for key stages of project development and help to establish public confidence in the renewable energy industry.

Enhanced Safety Management

- BSEE clearly identifies when a safety management system (SMS) must be submitted for review and when it must be implemented. The regulations also will improve safety by clarifying what information a lessee's SMS must contain and when audits must be conducted.

Benefits (cont.)

- BSEE clarifies how the scope of its inspections are expanded to cover critical safety systems and equipment.
- BSEE will allow self-inspection plans provided they include performance-based evaluation and identification of critical safety systems and equipment designed to prevent or ameliorate fires, spillages, or other major accidents.

Cost savings

- BOEM reduces the upfront capital costs for lessees by allowing incremental funding of financial assurance for decommissioning instead of all at once before a project has begun and will allow lessees to use letters of credit as an acceptable financial assurance instrument.
- The reforms are estimated to save the renewable energy industry approximately \$1.9 billion over a 20-year period, while still ensuring protection of marine resources.

For more information, please visit:

<https://www.boem.gov/renewable-energy/regulatory-framework-and-guidelines>.

