

**Statement of
Steve Feldgus, Ph.D.
Deputy Assistant Secretary
Land and Minerals Management
U.S. Department of the Interior**

**Senate Energy and Natural Resources Committee
Subcommittee on Public Lands, Forests, and Mining
S. 2130, RISEE Act**

October 19, 2021

Thank you for the opportunity to present the Department of the Interior's views on S. 2130, the Reinvesting In Shoreline Economies and Ecosystems Act (RISEE Act). The Department is supportive of efforts to advance offshore wind development on the Outer Continental Shelf (OCS) in an economically and environmentally responsible manner, as well as increase coastal adaptation and resiliency to a changing climate. However, the Administration has concerns with the impact to the Treasury and recognizes the need to further evaluate the implication of diverting revenue and creating further dependence on funding from energy development for conservation and resilience.

Background

As part of tackling the climate crisis, the Administration is committed to advancing the Nation's transition to a clean energy future. Just last week, Secretary of the Interior Deb Haaland outlined the path forward for future offshore wind leasing to meet the Biden-Harris administration's goal to deploy 30 gigawatts (GW) of offshore wind energy by 2030 and beyond. These ambitious plans include up to seven new offshore lease sales by 2025 in the Gulf of Maine, the New York Bight, the Central Atlantic, and the Gulf of Mexico, as well as offshore the Carolinas, California, and Oregon. The Department is laying out an ambitious roadmap as we advance the Administration's plans to confront climate change, create good-paying jobs, and accelerate the nation's transition to a cleaner energy future.

The Department's Bureau of Ocean Energy Management (BOEM) is working on refining its process for identifying additional Wind Energy Areas, and developing clear goals, objectives, and guidelines that can be shared with government agencies, Tribes, industry, ocean users, and others prior to identifying such areas. In addition, BOEM will use the best available science as well as knowledge from ocean users and other stakeholders to minimize conflict with existing uses and marine life.

BOEM completed its review of a Construction and Operations Plan (COP) for the Vineyard Wind project earlier this year and plans to issue a record of decision on a second project later this year and review at least 16 COPs by 2025 representing more than 19 GW of clean energy capacity.

S. 2130, the Reinvesting In Shoreline Economies and Ecosystems Act (RISEE Act).

S. 2130 would establish an offshore wind revenue sharing model for adjacent coastal states, dedicate a percentage of offshore wind revenues to the National Oceans and Coastal Security Fund (NOCSF), and amend the Gulf of Mexico Energy Security Act (GOMESA) to eliminate the cap on state revenue sharing, increasing the percentage of revenues shared with states from 37.5% to 50%. The Administration has concerns with how provisions in the RISEE Act could reduce funding to the Treasury and impact revenues necessary to carry out authorized activities.

Offshore Wind Receipts

Revenues from offshore wind leases are necessary to support critical needs to advance the Administration's ambitious offshore wind goals, including lease area and project reviews, research, public outreach and engagement, mitigation activities, and staff to support those activities. Under current law, OCS wind leases are projected to provide over \$1.4 billion to the Treasury over the next 5 years (FY 2022-2026). Of that total, this bill would redirect \$723 million to the states and \$542 million to the NOCSF, leaving only \$181 million for the Treasury, a decline of over \$1.25 billion. Additionally, there is no requirement that any portion of the funds provided to the states or NOCSF be used for programs or activities related to offshore wind development.

The Administration believes that revenues from offshore wind should benefit Americans broadly. The President's FY 2022 Budget invests in programs that help ensure responsible offshore wind development to meet the Administration's clean energy targets; to identify and mitigate potential impacts; form partnerships to improve regional collaboration; and ensure robust and ongoing engagement with states and coastal communities early and often throughout the offshore wind development process.

GOMESA Revenue Sharing

The GOMESA amendments in S. 2130 would have even more significant fiscal impacts. Under GOMESA's current terms, the states of Alabama, Louisiana, Mississippi, and Texas are expected to share \$375 million each year from 2022 through 2055. The Department's preliminary estimate is that eliminating that cap, changing the revenue allocation share to 50 percent, and changing the eligible date for future payments from leases existing on or after 2007 to those leases existing on or after 2000 would result in a projected additional \$9.4 billion going to those four states over the next ten years, a number that could increase significantly in subsequent decades.

Broadly, the Department supports funding and programs for coastal resilience activities and conservation. However, the Department also acknowledges the need to further evaluate the implication of diverting that amount of revenue and creating further dependence on funding from energy development in order to accomplish conservation and resilience goals, given the variability of such funding on global energy prices and the level of industry activity.

The Department has and continues to work with states and coastal communities experiencing sea level rise, ocean acidification, higher storm surges, more frequent extreme weather events, erosion, and flooding to adapt to and build resilience for a changing climate. Highlights of such collaboration in the recent Department of the Interior Climate Action Plan include the National Park Service's Coastal Adaptation Strategies Handbook, and the Bureau of Ocean Energy

Management's leasing of sand and sediment resources to restore, nourish, and protect shores, beaches, and wetlands.

Conclusion

The Department looks forward to working with the Committee and the sponsors of this legislation to meet the challenges of a changing climate through advancing offshore renewable energy development and coastal climate adaptation and resiliency.